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MINUTES
SPECIAL MEETING
BUDGET COMMITTEE
// BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT

AUG 27 1995

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TUESDAY, SEPTEMBER 5, 1995 - 1:30 P.M. ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:34 P.M.

FISCAL ITEMS

1. File 101-95-16. [Appropriations Limit, Fiscal Year 1995-96] Resolution establishing the appropriation limits for fiscal year 1995-96 pursuant to California Constitution Article XIII B (net appropriations limit for fiscal year 1995-96 is proposed at \$1,143,093,666). (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller, Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED. TO BOARD AS
"COMMITTEE REPORT", TUESDAY, SEPTEMBER 5, 1995.

VOTE: 3-0.

2. File 74-95-1. [Tax Rate Setting, CCSF, Fiscal Year 1995-96] Ordinance providing revenue and levying taxes for City and County of San Francisco purposes for the fiscal year ending June 30, 1996. RO #95029 (Controller)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller, Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED. TO BOARD AS
"COMMITTEE REPORT", TUESDAY, SEPTEMBER 5, 1995.

VOTE: 3-0.

3. File 74-95-2. [Tax Rate Setting, SFUSD, Fiscal Year 1995-96] Ordinance providing revenue and levying taxes for San Francisco Unified School District purposes for the fiscal year ending June 30, 1996. RO #95030 (Controller)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller, Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED. TO BOARD AS "COMMITTEE REPORT", TUESDAY, SEPTEMBER 5, 1995.

VOTE: 3-0.

4. File 74-95-3. [Tax Rate Setting, SF Community College, FY 1995-96] Ordinance providing revenue and levying taxes for San Francisco Community College District purposes for the fiscal year ending June 30, 1996. RO #95031 (Controller)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller, Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED. TO BOARD AS "COMMITTEE REPORT", TUESDAY, SEPTEMBER 5, 1995.

VOTE: 3-0.

5. File 101-95-2.1. [Amend Annual Annual Appropriation Ordinance, FY 1995-96] Ordinance amending the Annual Appropriation Ordinance for fiscal year 1995-96, File No. 101-95-2, Ordinance 255-95, giving effect to revenue changes pursuant to Charter Section 6.08 and adjusting appropriations to meet the requirements of the Art Commission pursuant to Charter Section 6.400, and adjusting appropriations to meet the requirements of the Airport, as a prerequisite to levy a tax pursuant to Charter Section 6.208. RO #95032 (Controller)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller, Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED. TO BOARD AS "COMMITTEE REPORT", TUESDAY, SEPTEMBER 5, 1995.

VOTE: 3-0.



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RELEASE OF RESERVE

6. File 101-90-78.6. [Reserved Funds, Department of Public Works] Consideration of release of reserved funds, Department of Public Works (Earthquake Safety Bonds, Phase 2) in the amount of \$325,011, for funding the construction contract for the new pedestrian bridge damaged by the Loma Prieta Earthquake at Harding Park. (Department of Public Works)

SPEAKERS: None.

ACTION: HEARING HELD. RELEASE OF \$325,011, APPROVED. FILED.

VOTE: 3-0.

GENERAL ITEMS

7. File 27-95-14. [Finding, Airport-Rates and Charges] Resolution making a finding that the Schedule of Rates and Charges for common use facilities established by the Airports Commission effective July 1, 1995, will be sufficient to pay for maintenance and operations expenses of the Airport and will not require any tax subsidy. (Airports Commission) (COMPANION TO THE FOLLOWING FILE)

SPEAKERS: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

8. File 27-95-14.1. [Airport-Rates and Charges] Resolution approving changes to the schedule of Rates and Charges for common use facilities at San Francisco International Airport as established by the Airports Commission. (Airports Commission) (COMPANION TO THE PRECEDING FILE)

SPEAKERS: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

TIME MEETING ADJOURNED: 1:43 P.M.

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OF SAN FRANCISCO *Attn: Kate Wingerson*

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

August 31, 1995

TO: *///* Budget Committee
FROM: *///* Budget Analyst *Rec'd - 8/31/95*
SUBJECT: September 5, 1995 Special Budget Committee Meeting

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Item 1 - File 101-95-16

1. The proposed resolution would establish \$1,143,093,666 as the 1995-96 net appropriation limit for the City and County of San Francisco as required by Article XIII B of the California Constitution.

2. On November 6, 1979, California voters approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the California Constitution. Article XIII B limits the growth of appropriations from the proceeds of taxes of the State of California and local governments to the percentage change in population and the lesser of the percentage change in the cost of living or in per capita personal income. The State Government Code requires that each local government establish its appropriation limit (Gann Limit) by resolution each year.

3. The City's net Gann Limit must be adjusted for Trial Court Funding revenues. A transfer of an estimated \$15,987,000 of the City's Gann Limit must be made to the State of California in order to receive a State Trial Court Funding Block Grant of an equivalent amount. The State requires that the City and County Gann Limit be decreased by the net revenue amount that the City and County will receive from the State for Trial Court Funding so that the State Gann Limit can be increased by that same amount.

4. The Controller has computed the 1995-96 Gann Limit for the City and County of San Francisco as follows (percentages and computed amounts have been rounded by the Controller):

1994-95 Gross Gann Limit \$1,091,771,470

Adjusted by:

Increase in Cost of Living	4.72%
Increase in Population	1.38%

1995-96 Gross Gann Limit \$1,159,080,666*

Less Trial Court Funding Revenues 15,987,000

1995-96 Net Gann Limit \$1,143,093,666

* 1.0472 times 1.0138 equals 1.0617 times \$1,091,771,470.

5. The Controller's Office monitors revenues affected by the Gann Limit throughout the year. At year end, a final computation is prepared comparing actual proceeds of taxes to the Gann Limit. At that time, two tests must be met. First, all actual proceeds of taxes must be below the Gann Limit; and second, all actual proceeds of taxes collected must be appropriated. If either test is not met, according to Article XIII B, excess revenues collected must be returned to the taxpayers within two years.

6. The amount appropriated in the City's fiscal year 1995-96 budget that is subject to the Gann Limit is \$896,089,165 which is \$247,004,501 less than the net 1995-96 Net Gann Limit of \$1,143,093,666. In accordance with the Annual Appropriation Ordinance, all other 1995-96 tax proceeds are appropriated to the City's General Fund General Reserve which is used as a revenue source (a) to fund supplemental appropriations during the current fiscal year and (b) to fund the City's budget for the next fiscal year.

Comments

1. The Gann Limit was first applied in 1980-81 using the actual 1978-79 appropriations that would have been subject to the limit, had it existed then, as the base year (as called for by Article XIII B of the California Constitution). The 1978-79 base was adjusted for changes in per capita personal income, cost of living and population to obtain the 1980-81 limit. In each successive year, the prior year's limit was used as the base for computation of the new limit.

2. State Proposition 111, approved by the voters in June 1990, made several changes to the Article XIII B (3) which are reflected in the City's computations including an adjustment to exclude appropriations for "Qualified capital outlay as defined by the legislature" from proceeds of taxes. This results in a reduction of \$14,156,131 for fiscal year 1995-96, from appropriations of proceeds of taxes subject to the limit.

3. Based on the City Attorney's memorandum of opinion of June 14, 1988, the City is excluding Court and Federal mandates from appropriations subject to

Memo to Budget Committee
September 5, 1995

the limit. The City Attorney has advised that the exclusion of Court and Federal mandates is consistent with the meaning of Article XIII B. No legal challenges have been filed questioning this interpretation. The four mandates for FY 1995-96 totaling \$66,774,913 that were identified by a survey of all City departments and verified by the Controller's Office are as follows:

Police Consent Decree	\$42,695,138
Jail Overcrowding	15,706,735
Federal Resource Conservation Act (Toxics)	3,782,785
Firefighters Consent Decree	<u>4,590,255</u>
Total Court and Federal mandates	\$66,774,913

Recommendation

Approve the proposed resolution.

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Items 2, 3 and 4 - Files 74-95-1, 74-95-2 and 74-95-3

The proposed ordinances would establish the 1995-96 Property Tax rates for the City and County of San Francisco (File 74-95-1), for the San Francisco Unified School District (File 74-95-2) and for the San Francisco Community College District (File 74-95-3). The rate proposed for the City's general tax rate of \$1.00 per \$100 of assessed valuation is the maximum allowable rate. The total tax rate of \$1.164, as calculated by the Controller, includes bond interest and redemption charges. The proposed 1995-96 tax rate reflects an increase of \$.001 for each \$100 of assessed valuation over the 1994-95 tax rate of \$1.163. The Controller's Office reports that the increase in the tax rate for 1995-96 reflects the overall decrease in the assessment roll and slightly higher debt service requirements for the City's General Obligation bonds.

The actual 1994-95 tax rates and the proposed 1995-96 tax rates are as follows:

	Actual 1994-95 Rate	Proposed 1995-96 Rate	Increase (Decrease)
<u>General Tax Rates</u>			
City and County of San Francisco:			
General Fund	\$0.57202319	\$0.57951319	\$0.00749000
Children's Fund	.02500000	.02500000	—
Open Space Acquisition Fund	.02500000	.02500000	—
County Superint. of Schools	.00097335	.00097335	—
Library Preservation Fund	.02500000	.02500000	—
S.F. Unified School District	.28907663	.28307417	(.00600246)
S.F. Community College District	.05451616	.05302862	(.00148754)
Bay Area Air Quality Management District	.00208539	.00208539	—
Bay Area Rapid Transit District	<u>.00632528</u>	<u>.00632528</u>	—
Subtotal, General Tax Rate	\$1.00	\$1.00	—
<u>Rates for Bonded Indebtedness</u>			
City and County of San Francisco	\$0.13536743	.13674375	.00137632
S. F. Unified School District	.00413257	.00425625	.00012368
Bay Area Rapid Transit District	<u>.02350000</u>	<u>.02300000</u>	<u>(.00050000)</u>
Subtotal, Bonded Indebtedness	<u>\$0.163</u>	<u>\$0.164</u>	<u>\$0.001</u>
 Total Combined Tax Rate	 \$1.163	 \$1.164	 \$0.001

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September 5, 1995

As compared with the current 1994-95 \$1.163 tax rate, the 1995-96 proposed \$1.164 tax rate will have the following effect on a tax bill for a \$300,000 single facility residence:

	<u>1994-95</u>	
Assessed Value (1993-94)	\$294,118	
Add Annual 2% Increase	<u>5,882</u>	
Subtotal	\$300,000	
Less Homeowners Exemption	<u>7,000</u>	
Total	\$293,000	divided by \$100 x \$1.163 = \$3,407.59

	<u>1995-96</u>	
Assessed Value (1994-95)	\$300,000	
Add Annual 1.19% Increase*	<u>3,570</u>	
Subtotal	\$303,570	
Less Homeowners Exemption	<u>7,000</u>	
Total	\$296,570	divided by \$100 x \$1.164 = <u>\$3,452.07</u>

Net Increase in Property Tax Bill for Fiscal Year 1995-96 \$44.48

* The State Board of Equalization has limited the inflationary rate increase to 1.19% instead of 2.0% which has been allowed as maximum rate in previous years.

As shown above, homeowners would experience an increase due to inflation at a 1.19 percent rate, as allowed under Proposition 13. In the example reflected above, the inflationary increase results in additional Property Taxes of \$41.52 and the proposed increase in the tax rate of \$.001 results in an additional Property Tax increase of \$2.96 (\$44.48 less \$41.52), for a total estimated Property Tax increase of \$44.48.

Recommendation

Approve the proposed ordinances.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 5 - File 101-95-2.1

The proposed ordinance would amend the previously approved 1995-96 Annual Appropriation Ordinance (AAO) (File No. 101-95-2), giving effect to revenue changes pursuant to Charter Section 6.208 and adjusting appropriations to meet the requirements of the Art Commission pursuant to Charter Section 6.400 (a) (2) (E) and adjusting appropriations to meet the requirements of the Airport, as a prerequisite to levy a tax pursuant to Charter Section 6.208. The proposed ordinance would make the following revenue and expenditure adjustments to the 1995-96 AAO:

- Reduce previously appropriated funds in the amount of \$4,363 to the Art Commission for the Municipal Symphony Orchestra (one-eighth cent per \$100 of assessed valuation) as required by Charter Sections 6.400 (a) (2) (E) and 6.414.
- Reduce the revenues for the Airport by \$6,000,000 based on a change in the landing fee revenues.
- Appropriate additional funds in amount of \$2,464,469 to the Chief Administrative Officer's budget for Debt Service based on actual requirements.

Comments

1. The 1995-96 budget included \$715,773 for the Art Commission expenditures for the Municipal Symphony Orchestra. The proposed ordinance would decrease this appropriation by \$4,363 to \$711,410 for fiscal year 1995-96. The proposed adjustment would have a net effect of increasing the General Fund Reserve by \$4,363 from \$10,000,000 to \$10,004,363.

2. The 1995-96 budget included \$24,384,069 of revenue for the Airport, based on projected estimates for airline landing fees. Based on a new schedule of airline landing fees, adopted by the Airports Commission on July 25, 1995 (Resolution No. 95-0194), the proposed ordinance would reduce the estimate for airline landing fee revenues by \$6,000,000 to \$18,384,069. This proposed adjustment would have a net effect of decreasing the overall Airport Operating Revenues in the Annual Appropriation Ordinance for 1995-96 and would have no impact on the General Fund.

3. The increase in funding for debt service of \$2,464,469 would be funded from Property Tax revenues which are outside the one percent Property Tax limitation and would have no effect on the General Fund Reserve.

Recommendation

Approve the proposed ordinance.

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BUDGET ANALYST

Item 6 - File 101-90-78.6

Department: Department of Public Works (DPW)

Item: Requesting the release of reserved funds, in the amount of \$325,011, for funding the construction contract for a new pedestrian bridge at Harding Park which was damaged by the Loma Prieta earthquake.

Amount: \$325,011

Source of Funds: 1990 Earthquake Safety Program Bond Proceeds, Phase II

Description: In April of 1991, the Board of Supervisors approved a supplemental appropriation ordinance (File 101-90-78) which appropriated \$19,325,716 in 1990 Earthquake Safety Program, Phase II Bond proceeds for various capital improvement projects. An amount of \$15,470,294 was placed on reserve, including an amount of \$340,000 for small construction projects, pending the selection of contractors, contract cost details and the MBE/WBE status of the contractors.

The Department of Public Works (DPW) is now requesting the release of \$325,011 from the reserved amount of \$340,000 for small construction projects, for the purpose of constructing a new Harding Park pedestrian bridge to provide access to the Harding Park Municipal Golf Course, and the Lake Merced Boathouse/restaurant area. According to DPW, the original Harding Park pedestrian bridge, which was 145 feet long, was damaged beyond repair during the Loma Prieta earthquake and was demolished. Mr. Hom advises that the proposed new permanent bridge would also be 145 feet long, and would have the same capacity as the original bridge. Mr. Hom advises that the bridge would be used by walkers, joggers, cyclists and golfers. Mr. Hom advises that in accordance with the Americans with Disabilities Act, the new bridge and approach paths to the bridge would be handicap accessible.

According to Mr. Hom, the Harding Park pedestrian bridge provides a shorter access route to the Harding Park Golf Course, and the Lake Merced Boathouse/restaurant area because the pedestrian bridge allows users to enter the golf course area by crossing over Lake Merced at the North end of Lake Merced on Lake Merced Boulevard, instead of entering through the formal entrance to the Harding Park Golf Course on Harding Road which enters the golf course on the West side of Lake Merced.

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Budget:	Construction Contract	\$413,426
	Construction Contingency (9.7 percent)	40,000
	Total	*\$453,426

*Surplus Funds from the San Francisco Marina Westend Restroom Renovation Project, in an amount of \$128,415 (total project cost of \$453,426 less the requested supplemental appropriation of \$325,011), will be used to provide the balance of the funds necessary for the construction of the Harding Park pedestrian bridge.

Comments:

1. The construction contract for the Harding Park pedestrian bridge was awarded to the second lowest bidder, Miller/Thompson Constructors, Inc., for an amount of \$413,426. Miller/Thompson Constructors, Inc. is a WBE/LBE firm. According to Ms. Linda Chin of the Human Rights Commission (HRC), the lowest bid of \$378,000 was submitted by Olivewood Construction Company, Inc., a WBE firm. However, according to Ms. Chin, after the HRC assigned bid preference points to Miller/Thompson Constructors, Inc. for being a LBE firm, as well as a WBE firm, Miller/Thompson Constructors, Inc. had the lowest bid. As such, Miller/Thompson Constructors, Inc. was awarded the construction contract.

2. DPW has provided the following contract cost details, including the MBE and WBE participation, for the \$413,426 contract.

<u>Prime Contractor, WBE/LBE (71%)</u>	
Miller/Thompson Constructors, Inc.	\$293,426

<u>Subcontractors, MBE (27.8%)</u>	
AR Construction	\$77,000
Coast-GEO Constructors, Inc.	38,000
Subtotal MBE Subcontractors	115,000

<u>Subcontractors, WBE (1.2%)</u>	
CAL Robbins Landscaping	5,000

Total Construction Contract	\$413,426
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3. DPW has provided the attached list of the prime contract bidders and the amounts bid for the proposed construction contract.

Recommendation: Approve the proposed release of reserved funds.

BOARD OF SUPERVISORS
BUDGET ANALYST

TABULATION OF BIDS

SPECIFICATION NO.: 2351Q
 TITLE: Harding Park Pedestrian Bridge

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JUN 22 1995

LANDSCAPE ARCHITECTURE

BIDS RECEIVED: June 21, 1995

BIDDERS:	Olivewood Construction Company, Inc.	WBE	Base Bid
	Miller/Thompson Constructors, Inc.	WBE/LBE	378,000
	A.R. Construction Co.	MBE/LBE	413,428
	Artistic Builders, Inc.	No Pref	443,988
	Cuevas & Mannion Construction	MBE/LBE	445,000
	Angotti & Reilly Inc.	LBE	457,000
			491,000
		Average Bid:	438,069
		Engineer's Estimate	415,000
		% of Engineer's Estimate:	106%

Items 7 and 8 - Files 27-95-14 and 27-95-14.1

Department: Airports Commission

Items: Item 7, File 27-95-14 - Resolution making a finding that the schedule of rates and charges for common use facilities established by the Airports Commission effective July 1, 1995 will be sufficient to pay for maintenance and operation expenses of the Airport and will not require any tax subsidy.

Item 8, File 27-95-14.1 - Resolution approving changes to the schedule of rates and charges for common use facilities at San Francisco International Airport as established by the Airports Commission.

Description: The proposed resolutions concern the schedule of landing fees and terminal space rental rates for common use facilities at the San Francisco International Airport. The proposed landing fees and terminal space rental rates to be charged to the airlines have been determined using a formula that is part of the Lease and Use Agreement between the Airport and the airlines. The formula calls for annual adjustments to existing landing fees and rental rates based on Airport surpluses or shortfalls accumulated during the previous two fiscal years in the costs centers from which the fees and rates are collected. The proposed resolutions would approve a new schedule of landing fees and rental rates. The Airport's total surpluses from previous years, to be used in calculating the 1995-96 fees and rates, amount to approximately \$18.4 million, including \$6.0 million from FY 1994-95, and \$12.4 million from FY 1993-94.

Proposed 1995-96 Landing Fee Schedule

The proposed landing fees are based on the approved maximum landing weights for each revenue-producing aircraft landing at the Airport. The fees are composed of a base fee per 1,000 pounds of gross aircraft landing weight, plus a surcharge added to the base fee. For the proposed landing fees in FY 1995-96, this surcharge is negative, representing a credit because of the available surpluses as calculated under the Lease and Use Agreement between the Airport and the Airlines.

The proposed fee schedule for FY 1995-96 and the actual fees for 1993-94 and 1994-95 are as follows:

Landing Fees Per 1,000 Pounds of Gross Aircraft Landing Weight

	<u>Proposed 1995-96</u>	<u>Actual 1994-95</u>	<u>Actual 1993-94</u>
Base	\$1.092	\$1.016	\$1.006
Surcharge	<u>(0.208)</u>	<u>(0.178)</u>	<u>(0.175)</u>
Net Fees	\$.884	\$0.838	\$0.831

As shown above, the landing fee per 1,000 pounds of gross aircraft landing weight would increase by \$.046 per 1,000 pounds from \$0.838 in 1994-95 to \$.884 in 1995-96, or an increase of approximately 5.5 percent.

The Airport also plans to increase the minimum fees for landings for certain weights of aircraft in order to align such minimum fees with the weight-based fees, as follows;

For those airlines which are signatories to the Lease and Use Agreement with the Airport;

- Increase the minimum landing fee by \$3.00 from \$33.00 to \$36.00 per fixed-wing aircraft weighing less than 40,724 pounds;
- Increase the minimum landing fee by \$3.00 from \$15.00 to \$18.00 per rotary-wing aircraft weighing less than 20,362 pounds;

Aircraft belonging to those airlines which do not have an operating permit at the Airport are known as itinerant aircraft. Itinerant aircraft pay a surcharge on their landing fees. This surcharge, as well as the minimum landing fees for itinerant aircraft at certain weights, would also be subject to increases, effective November 1, 1995, as follows;

- An increase in the itinerant surcharge of \$0.046, or approximately 5 percent, from a rate of \$0.923 for 1994-95 to a rate of \$0.969 for 1995-96 for each revenue landing by a commercial carrier, each landing of a general aviation fixed-wing aircraft, and each landing of a general aviation rotary-wing aircraft, unless a minimum landing fee shall apply.
- Minimum landing fees for all fixed-wing revenue aircraft and general aviation aircraft weighing less than 37,152 pounds would be increased by \$3.00 from \$33.00 to \$36.00, and;

- Minimum landing fees for all rotary-wing revenue aircraft and general aviation aircraft weighing less than 18,576 pounds. would be increased by \$3.00 from \$15.00 to \$18.00.

Proposed 1995-96 Terminal Space Rental Schedule

The terminal space rental rates at the Airport are determined by the relative value of the space. The space categories are defined as follows:

- Category I -- Ticket counters and Waiting Areas at gates
- Category II -- Ticket counter back offices, VIP Clubs, Baggage claim lobbies
- Category III -- Administrative and operations offices
- Category IV -- Baggage handling areas
- Category V -- Unenclosed or covered areas at ramp level

The proposed 1995-96 rates and actual 1994-95 and 1993-94 rates are as follows;

<u>Type of Space</u>	<u>Proposed 95-96 Rate/Sq. Ft.</u>	<u>Actual 94-95 Rate/Sq. Ft.</u>	<u>Actual 93-94 Rate/Sq. Ft.</u>
Category I	\$49.99	\$47.42	\$47.45
Category II	37.49	35.57	35.59
Category III	25.00	23.71	23.73
Category IV	12.50	11.86	11.86
Category V	5.00	4.74	4.75
Average Base Rate/Sq.Ft.	\$30.25	\$28.73	\$28.68

As shown above, the average base rental rate per square foot would increase by \$1.52, from \$28.73 in 1994-95 to \$30.25 in 1995-96, or an increase of approximately 5.3 percent. This average base rate is calculated using a formula contained in the Lease and Use Agreement, and rates for individual categories of space are determined by using the base rate and the relative value of the space.

Additionally, the Airport plans to;

- Increase its overall secondary rental surcharge for all airlines using the Federal Inspection Service Areas, which includes just those airlines which disembark international passengers in San Francisco, by \$1,393 annually from a total of \$84,179 to \$85,572. This surcharge includes the annual Airport debt service of \$62,052 on the shared International Terminal baggage facility and 20 percent of the cost of the City-owned lounge for in-transit passengers. The amount of

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\$85,572 is divided among the airlines using the Federal Inspection Service Area based on the proportion of each airlines' passengers using this area to the total number of passengers using this area;

- Decrease the airline fee per passenger using the International Terminal in-transit lounge by \$1.19 from \$3.77 to \$2.58. The fee is decreasing because the cost of operating the lounge is being divided among a larger number of passengers which are projected to use this lounge during 1995-96;

- Increase the fee per cubic foot of water delivered per month for sewage/wastewater treatment from \$2.00 to \$3.00.

Proposed Rates for Outdoor Aircraft Storage Areas

For FY 1995-96, the Airport plans to increase fees for storing aircraft in outdoor storage areas according to the following schedule:

Maximum Aircraft <u>Weight in Pounds</u>	<u>Actual 1994-95</u>	<u>Proposed 1995-96</u>		<u>Proposed</u>	
	<u>Monthly Rate</u>	<u>First 8 hrs. or Fraction</u>	<u>Each Added 8hrs. or Fraction</u>	<u>Monthly Rate</u>	<u>Rate Increase</u>
150,001 or less	\$1,400	\$106.50	\$25.00	\$4,000	\$2,600
150,001 to 600,000	1,400	140.50	33.00	5,300	3,900
600,001 or more	1,400	213.00	50.00	8,000	6,600

Previously, the Airport had only a single monthly outdoor parking rate for all weights of aircraft. In FY 1995-96, due to the opening of a substantial new outdoor aircraft parking area (Plot 41 Hardstands) which was recently completed as part of the Airport Master Plan, the Airport is proposing the differentiated rate schedule shown above. As shown, the monthly rate for outdoor aircraft parking would increase by between \$2,600 and \$6,600, or an increase ranging from approximately 186 percent to 471 percent. According to Mr. Leo Fermin, Assistant Deputy Director of the Airport, this substantial increase is proposed in order to recover the costs of constructing the new aircraft parking area.

Comments:

1. According to Mr. Fermin, the proposed schedule of Airport fees and rates would generate \$78,185,397 in revenues for FY 1995-96, which, together with other fees and revenues collected by the Airport, will be sufficient to pay for the operation and maintenance of the Airport in FY 1995-96, in accordance with the finding specified under the proposed resolution (File 27-95-14) and, therefore, a subsidy from the City's General Fund will

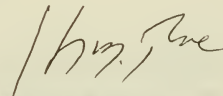
Memo to Budget Committee
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not be necessary. The Budget Analyst concurs with this finding.

2. All proposed landing fees and rental rates would apply retroactively to July 1, 1995, if the proposed resolution (File 27-95-14.1) is adopted, with the exception of minimum landing fees for general aviation aircraft and itinerant surcharge fees. Because of the difficulty in retroactively collecting the minimum landing fees for general aviation aircraft and the surcharge fees, which comprise a small portion of the total landing fees, the existing rates for these fees would remain in effect until November 1, 1995. These rates would then be increased to the proposed 1995-96 landing fee rates.

3. Mr. Fermin notes that the FY 1995-96 Airport budget, as approved by the Board of Supervisors, was based on the proposed fees and rates identified in this subject legislation.

Recommendation: Approve the proposed resolutions.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

SF
390 07
#2
9/13/95

MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT

AUG 27 1995

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WEDNESDAY, SEPTEMBER 13, 1995 - 1:00 P.M.
BUILDING

ROOM 410, VETERANS

401 VAN NESS AVENUE

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:06 P.M.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:
 - a) File 28-95-12. [Emergency Repair, Clay Street Sewer] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Clay Street, between Grant Avenue and Stockton Street and between Mason and Taylor Streets - \$289,801. (Department of Public Works)
 - b) File 28-95-13. [Emergency Repair, Grant Avenue Sewer] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Grant Avenue, between Washington Street and Broadway - \$190,752. (Department of Public Works)

- c) File 28-95-14. [Emergency Repair, Turk Street Sewer] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Turk Street, between Hyde Street and Larkin Street – \$388,550. (Department of Public Works)
- d) File 28-95-15. [Emergency Repair, Post Street Sewer] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Post Street, between Gough Street and Octavia Street – \$117,915. (Department of Public Works)
- e) File 28-95-16. [Emergency Repair, Polk Street Sewer] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Polk Street, between Washington Street and Jackson Street – \$73,017. (Department of Public Works)
- f) File 28-95-17. [Emergency Repair, Pacific Avenue Sewer] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Pacific Avenue, between Battery Street and Sansome Street – \$72,070. (Department of Public Works)
- g) File 28-95-18. [Emergency Repair, Post Street Sewer] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Post Street, between Polk Street and Van Ness Avenue – \$133,940. (Department of Public Works)
- h) File 28-95-19. [Emergency Repair, Sacramento Street Sewer] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Sacramento Street, between Grant Avenue and Stockton Street – \$146,355. (Department of Public Works)

SPEAKERS: None.

ACTION: CONSENT CALENDAR RECOMMENDED.

VOTE: 3-0.

FISCAL ITEMS

2. File 101-95-15. [Appropriation, Department of Public Works] Ordinance appropriating \$4,145,000, Department of Public Works, for the demolition of the Richmond Sunset Treatment Plant, from Trust Fund and various sewer revenue bond funds; providing for ratification of action previously taken. (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Steve Maiolini, Project Manager, Department of Public Works; Debra Learner, Planner, Recreation and Park Department. IN SUPPORT: Mr. Carlton. OPPOSED: Emmett Condon.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Reduce appropriation to \$4,133,730. Add a Section 3, placing a reserve on \$3,993,000 consisting of the following: (a) \$3,300,000 in funds budgeted for a construction contract related to the demolition and clean-up of the Richmond Sunset Water Pollution Control Plant, pending the selection of the construction contractor, the MBE/WBE status of the contractor and finalized construction contract details. (b) \$193,000 of non-construction costs pending a determination of actual funding requirements, and the submission of finalized cost details, including the detailed hours and hourly rates. (c) \$500,000 for a construction contract related to the construction of a new soccer field, pending the selection of a contractor, the MBE/WBE status of the contractor and the contract cost details. The reserves to be released by the Budget Committee. AMENDED TITLE: "Appropriating \$4,133,730 of Trust Fund and various Sewer Revenue Bonds of the Clean Water for the demolition of the Richmond Sunset Treatment Plant for fiscal year 1995-96. Providing for ratification of action previously taken; placing a reserve on \$3,993,000.

VOTE: 3-0.

3. File 127-95-5. [Transient Occupancy Tax] Ordinance amending Part III, Municipal Code, by amending Section 502.5 thereof to increase the Transient Occupancy Tax Surcharge from 2.75 percent to 4.75 percent, and by amending Section 5092.8 thereof to increase the Transient Occupancy Tax in certain Redevelopment Project Areas from 12 percent to 14 percent, operative October 1, 1995. (Supervisor Ammiano)

(Rereferred from Board meeting of July 31, 1995.)

SPEAKERS: ELECTED OFFICIAL: Supervisor Tom Ammiano. DEPARTMENTAL REPRESENTATIVES: Bill Lee, Chief Administrative Officer. IN SUPPORT: Bob Bagely. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

RELEASE OF RESERVES

4. File 101-94-13.1. [Reserved Funds, Department of Public Works]
Consideration of release of reserved funds, Department of Public Works (Gas Tax and Road Funds) in the amount of \$156,000, for construction contract for the Chinatown Lighting Improvement Project. (Department of Public Works) (Supervisors Hsieh, Kaufman, Bierman)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$156,000 APPROVED. FILED.
(Supervisors Hsieh, Kaufman and Bierman requested to be added as sponsors.)

VOTE: 3-0.

5. File 101-90-128.3. [Reserved Funds, Department of Public Works]
Consideration of release of reserved funds, Department of Public Works - 1989 Earthquake Safety Bond Program Fund, in the amount of \$1,172,543, for the purpose of funding Fire Station No. 37 construction contract. (Department of Public Works)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Assistant Chief James Lynch, Fire Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$1,172,543 APPROVED. FILED.

VOTE: 3-0.

6. File 101-94-80.01. [Reserved Funds, District Attorney] Consideration of release of reserved funds, District Attorney, Federal Revenue, in the amount of \$592,530, for the purchase of 151 personal computers and 35 laser printers for the District Attorney Family Support Bureau. (District Attorney)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$592,530 APPROVED. FILED.

VOTE: 3-0.

HEARING

7. File 7-95-6. [Municipal Railway Staffing, Funding, Wages] Hearing to consider the Municipal Railway's staffing, funding levels, wages and benefits over the last five (5) years. Reports from the Director of Human Resources, the Controller, Muni management, the Budget Analyst and Transport Workers Union leadership. (Supervisor Bierman)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ed Harrington, Controller; Wendell Pryor, Director, Department of Human Resources; Phil Adams, General Manager, Municipal Railway; Captain Hesselroth, Police Department; Lt. Alec Fagin, Police Department; Robert Goldman, Associate Superintendent, SF Unified School District; Walter Huff, Security, SF Unified School District. IN SUPPORT: Claire Caldwell, Executive Vice President, Local 228, Joe Barnes, President, Local 258. Irwin Lum, Division Representative, Kirkland Yard, Municipal Railway; Bill Jung, Secretary/Treasurer, Local 258; Alice Yaklin, Executive Vice President, Local 200; James Bryant, Local 790, Pauline Perea; Robert Clinton Dotson, Jr.; Michael Cheney; Jean Lynch, Senior Action Network; Norman Rolfe; Mia Lord; Shelley Salieri. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO
SEPTEMBER 27, 1995.

VOTE: 3-0.

CLOSED SESSION

The Budget Committee of the Board of Supervisors may convene in closed session to confer with and receive advise from the City Attorney's Office on this item on the grounds that significant expose to litigation exists pursuant to Government Code Section 5496.9(ba) (1) (A) and that discussion of the matter in open session would prejudice the position of the City.

The Budget Committee of the Board of Supervisors may find that it is in the best interest of the City not to disclose any information revealed in its closed session deliberations regarding this matter and may move not to disclosed any information at this time.

8. File 101-95-008. [Appropriations, Department of Parking & Traffic] Ordinance appropriating \$200,000, Department of Parking and Traffic, of Parking Revenue Funds to Capital Improvement Project for soil remediation at St. Mary's Square Garage, for fiscal year 1995-96. RO #95016. (Department of Parking and Traffic)

(Consideration Continued from 08/02/95)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ted Lakey, Deputy City Attorney, Kevin Haggerty, Department of Parking and Traffic. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED. (No closed session held.)

VOTE: 3-0.

TIME MEETING ADJOURNED: 4:10 P.M.

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CITY AND COUNTY



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11
BOARD OF SUPERVISORS

BUDGET ANALYST

SEP 12 1995

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1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

September 8, 1995

TO: /// Budget Committee

FROM: /// Budget Analyst *Re: 28-95-12, 13, 14, 15*

SUBJECT: September 13, 1995 Budget Committee Meeting

Items 1a, 1b, 1c, 1d - Files 28-95-12, 28-95-13, 28-95-14, 28-95-15

Department: Department of Public Works (DPW)

Item: Resolutions authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewers located at (1) Clay Street between Grant Avenue and Stockton Street and between Mason and Taylor Streets (File 28-95-12), (2) Grant Avenue between Washington Street and Broadway (File 28-95-13), (3) Turk Street between Hyde and Larkin Streets (File 28-95-14), (4) Post Street between Gough Street and Octavia Street (File 28-95-15).

Amount: \$289,801 File 28-95-12
190,752 File 28-95-13
388,550 File 28-95-14
117,915 File 28-95-15
\$987,018 Total

Source of Funds: Repair and Replacement Fund financed by Sewer Service Charges

Description:

Item 1a, File 28-95-12 - According to the DPW, on November 22, 1994, the DPW's Bureau of Street and Sewer Repair (BSSR) requested an emergency contract to repair structural inadequacies in the existing sewer at Clay Street between Grant Avenue and Stockton Street. On March 10, 1995 the BSSR extended the scope of the above-noted emergency contract request after additional damage was discovered in an adjacent sewer at Clay Street between Mason and Taylor Streets.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure. On June 28, 1995 the contract was awarded to Cal North Construction Inc., which submitted the lowest bid in the amount of \$289,801. Repair work by Cal North Construction began on September 5, 1995 and is expected to be completed by November 1, 1995. Cal North Construction is an LBE firm but is not an MBE or WBE firm.

Item 1b, File 28-95-13 - According to the DPW, on May 25, 1995, the BSSR requested an emergency contract to repair structural inadequacies in the existing sewer at Grant Avenue between Washington Street and Broadway. The damaged sewer, discovered during road re-surfacing work, was determined to be in imminent danger of collapse, according to P.T. Law of the DPW, and a Class "A" Emergency was declared. A Class "A" Emergency is one which threatens the immediate health, welfare and property of citizens and must be repaired without delay.

Mr. Law reports that, in accordance with Section 6.30 of the Administrative Code, a contractor was selected without instituting a bidding procedure, as allowed by the Class "A" Emergency authorization. The DPW selected Shaw Pipelines Inc., which bid \$190,752 for the contract. Shaw Pipelines Inc., is an LBE firm but is not an MBE or WBE firm. Although repair work on the sewer was completed on August 18, 1995, the actual contract cost had not been finalized as of the writing of this report.

Item 1c, File 28-95-14 - According to the DPW, on August 5, 1994, the BSSR requested an emergency contract to repair structural inadequacies in the existing sewer at Turk Street between Hyde and Larkin Streets.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure. On July 5, 1995, the contract was awarded to Harty Pipelines Inc., which submitted the lowest bid in the amount of

\$388,550. The repair work by Harty Pipelines Inc. is expected to begin on September 15, 1995 and be completed by November 10, 1995. Harty Pipelines Inc. is an LBE firm but is not an MBE or WBE firm.

Item 1d, File 28-95-15 - According to the DPW, on December 30, 1994, the BSSR requested an emergency contract to repair a collapsed pipe in the existing sewer at Post Street between Gough and Octavia Streets.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure. On April 19, 1995, the contract was awarded to Uniacke Construction Co., which submitted the lowest bid at \$117,915. Uniacke Construction is an LBE firm but is not an MBE or WBE firm. Although repair work by Uniacke Construction was completed on August 23, 1995, the actual contract cost had not been finalized as of the writing of this report.

Comment: Mr. Law reports that the funds previously appropriated to the DPW's Sewer Repair and Replacement Fund in the Department's FY 1995-96 budget would be used for these emergency repairs.

Recommendation: Approve the proposed resolutions.

Items 1e, 1f, 1g, and 1h - File 28-95-16, 28-95-17, 28-95-18, and 28-95-19

Department: Department of Public Works (DPW)

Item: Resolutions authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewers located at (1) Polk Street between Washington and Jackson Streets (File 28-95-16), (2) Pacific Avenue between Battery and Sansome Streets (File 28-95-17), (3) Post Street between Polk Street and Van Ness Avenue (File 28-95-18), (4) Sacramento Street between Grant Avenue and Stockton Street (File 28-95-19).

Amount: \$ 73,017 File 28-95-16
72,070 File 28-95-17
133,940 File 28-95-18
146,355 File 28-95-19
\$425,382 Total

Source of Funds: Repair and Replacement Fund - financed by Sewer Service Charges.

Description: **Item 1e, File 28-95-16** - According to the DPW, on April 27, 1995, the DPW's Bureau of Street and Sewer Repair (BSSR) requested an emergency contract to repair cracks and deformities of an existing sewer on Polk Street between Washington and Jackson Streets. According to the DPW, replacement of 270 feet of sewer with 12 inch diameter sewer is required to prevent further damage.

Mr. P.T. Law of the DPW reports that, in accordance with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure, awarding the contract to the lowest of two bidders, P & M Pipelines Construction, which submitted a bid of \$73,017. P & M Pipelines is an LBE firm, and is not an MBE or WBE firm. According to the DPW, construction is estimated to begin on September 28, 1995, and is expected to be completed by October 12, 1995.

Item 1f, File 28-95-17 - The DPW reports that on January 25, 1995, the BSSR requested an emergency contract to repair the existing brick sewer located on Pacific Avenue between Battery and Sansome Streets. The DPW reports that extended sections of the existing brick sewer have lost structural integrity due to loose bricks and non-existent mortar in joints. According to the DPW, in order to prevent

collapse, replacement of 289 feet of existing sewer with 12 inch diameter sewer is required.

In accordance, with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure and awarded the contract to the lowest of nine bidders, Darcy & Harty Construction, which submitted a bid in the amount of \$72,070. Darcy & Harty is an LBE firm, and is not an MBE or WBE firm. According to the DPW, construction is estimated to begin on September 11, 1995, and is expected to be completed by October 9, 1995.

Item 1g, File 28-95-18 - The DPW reports that on November 8, 1994, the BSSR requested an emergency repair contract after inspecting a brick sewer on Post Street, between Polk Street and Van Ness Avenue, and finding it structurally inadequate due to deformations, cracks, and missing mortar in joints. According to the DPW, immediate replacement of 418 feet of sewer with 18 inch diameter sewer pipe was required to prevent further damage.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure and awarded the contract to the lowest of six bidders, Shaw Pipelines Inc., which submitted a bid in the amount of \$133,940. Shaw Pipelines is a LBE firm, and is not an MBE or WBE firm. The DPW advises that the sewer repair work by Shaw Pipelines Inc. began on May 15, 1995, and although the sewer repair work was completed on June 19, 1995, as of the writing of this report, DPW advises that actual contract costs have not yet been finalized.

Item 1h, File 28-95-19 - The DPW reports that on December 16, 1994, the BSSR requested an emergency contract to repair cracks and deformities of the existing sewer on Sacramento Street between Grant Avenue and Stockton Street. According to the DPW, replacement of 480 feet of sewer with 14 and 16 inch diameter sewer pipes is required to prevent further damage.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure, and awarded the contract to the lowest of five bidders, P & M Pipelines, which submitted a bid in the amount of \$146,355. P & M Pipelines is an LBE firm, and is not an MBE or WBE firm. According to the DPW, construction is estimated to begin on October 27, 1995, and is expected to be completed by December 1, 1995.

Memo to Budget Committee
September 13, 1995

Comment: Mr. Law reports that funds previously appropriated to the DPW's Sewer Repair and Replacement Fund in the Department's FY 1994-95 budget would be used to pay for these repairs.

Recommendation: Approve the proposed resolutions.

Item 2 - File 101-95-15

Department: Department of Public Works (DPW)
Clean Water Enterprise

Item: Ordinance appropriating \$4,145,000 of Trust Fund and various Sewer Revenue Bond Fund monies of the Clean Water Enterprise for the demolition of the Richmond Sunset Water Pollution Control Plant for fiscal year 1995-96, providing for ratification of action previously taken.

Project: Richmond Sunset Water Pollution Control Plant Demolition

Amount: \$4,145,000

Source of Funds:

Trust Fund (See Comment #1)	\$11,698
1968 Sewer Revenue Bonds	1,135,575
1970 Sewer Revenue Bonds	1,196,868
1972 Sewer Revenue Bonds	695,236
1976 Sewer Revenue Bonds	694,212
1991 Sewer Revenue Bonds	<u>411,411</u>
Total	\$4,145,000

Project Budget:

Construction Contract	\$3,000,000
Contingencies (10 percent of total construction award amount)	300,000
Non-Construction Costs (Includes DPW Engineering and related consultant services - See Comment #3)	345,000
Recreation and Park Department Construction Costs for New Soccer Field	<u>500,000</u>
Total Project Budget	\$4,145,000

Description: The Richmond Sunset Water Pollution Control Plant (RSWPCP), built in the 1930s, encompasses approximately four acres and is located on Martin Luther King Drive in the Southwest corner of Golden Gate Park, next to Murphy's Windmill. The Richmond Plant was recently taken out of service when the new Oceanside Water Pollution Control Plant came on-line. The Oceanside Water Pollution Control Plant is located adjacent to the San Francisco Zoo.

In March, 1988, the Board of Supervisors approved the final Environmental Impact Report (EIR) and Facilities Plan

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BUDGET ANALYST

(Resolutions 201-80 and 202-88) for the Oceanside Water Pollution Control Plant. According to the DPW, as part of the mitigation measures for the construction of the Oceanside Treatment Plant, the DPW agreed to demolish the Richmond Sunset Water Pollution Control Plant (RSWPCP), and return the land in Golden Gate Park for use in recreational activities, to partially mitigate the effect of taking 12 acres of undeveloped property adjacent to the San Francisco Zoo for the Oceanside Plant.

The proposed supplemental appropriation ordinance would fund the following activities:

- 1) Demolish all RSWPCP facilities and grade the soil in Golden Gate Park;
- 2) Remove and dispose all hazardous materials found around the RSWPCP facilities;
- 3) Re-Routing and relocation of the underground existing electrical service for the Steinhart Aquarium's salt water pump station;
- 4) Construct a new soccer field at the previous site of the RSWPCP.

Demolition of the RSWPCP is anticipated to begin in November, 1995, and be completed by March, 1996. However, the construction of the new soccer field is not anticipated to begin until after March, 1996 after the hazardous materials at the site have been cleaned up.

Comments:

1. As noted in the above project budget, \$11,698 in proposed supplemental funds would come from the Trust Fund. According to Mr. Bob Hesse of the Department of Public Works (DPW), certain Federal grant funds that were received by the City specifically for Clean Water Enterprise construction projects were deposited into a Trust Fund. Mr. Hesse reports that these Federal grant funds available from the Trust Fund were received prior to the beginning of the EPA grant program.

2. According to Mr. Steve Maiolini of the DPW, the construction contractor has not yet been selected. Mr. Maiolini reports that because of project delays as a result of identifying additional hazardous materials, the construction contract is not anticipated to be put out to bid until September, 1995. Therefore, a total of \$3,300,000 (consisting of \$3,000,000 in anticipated construction contract costs and

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BUDGET ANALYST

\$300,000 in anticipated related contingencies) should be reserved pending the selection of the construction contractor, the MBE/WBE status of the construction contractor and finalized construction contract details.

3. Non-construction costs include the following:

DPW Bureau of Engineering \$80,000

Includes in-house structural engineering, drafting, electrical engineering and environmental engineering staff time associated with project management and reviews of change orders. Approximately 1,000 hours of professional staff hours at an average hourly rate of \$80.

DPW Bureau of Water Pollution Control (BWPC) 25,600

Includes 320 hours of BWPC staff to attend meetings and provide on-site inspection, at an average hourly rate of \$80.

DPW Bureau of Construction Management 146,000

In-house BCM staff used to coordinate and oversee demolition and construction activities.

SCA Environmental 35,130

Professional Services contract used for hazardous waste cleanup, including lead and asbestos and environmental oversight and monitoring. SCA Environmental has proposed to perform the project on a time and materials basis for a not-to-exceed fee of \$35,130. SCA will provide approximately 440 professional staff hours, (totaling \$26,160) at hourly rates ranging from \$50 per hour for field observation to \$115 per hour for project management and oversight, plus \$8,970 budgeted for lab sampling costs and related expenses. SCA Environmental is a City-certified local MBE firm.

DPW Bureau of Environmental
Regulation and Management(BERM) \$14,000

In-house BERM staff to provide mitigation monitoring and construction management for the clean up of hazardous materials.

Department of Parking and Traffic 3,000

Work Order for providing traffic control and enforcement during construction.

Real Estate 10,000

Work Order to the Real Estate Department for administering a contract and agreement with the Recreation and Park Department.

City Attorney 10,000

Work Order for drafting claims and agreements with the Recreation and Park Department associated with the demolition, hazardous materials cleanup and proposed construction of the new soccer field.

Other Direct Costs 10,000

To be used for anticipated additional soils drilling and remediation.

Total Non-Construction Costs \$333,730

As noted above, total non-construction costs are anticipated to be \$333,730 instead of the \$345,000 requested in the proposed project budget. Therefore, the proposed supplemental appropriation ordinance should be amended to reduce the amount requested by \$11,270 (\$345,000 less \$333,730).

In addition, the DPW has not yet finalized the cost details, including a specification of hourly rates, for the following non-construction activities:

- \$146,000 for the DPW Bureau of Construction Management;
- \$14,000 for the DPW Bureau of Environmental Engineering;
- \$3,000 for the Department of Parking and Traffic;
- \$10,000 for the Real Estate Department;

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BUDGET ANALYST

- \$10,000 for the City Attorney;
- \$10,000 for Other Direct Costs.

Therefore, a total of \$193,000 of non-construction costs identified above should be reserved pending a determination of actual funding requirements and the submission of finalized cost details, including the detailed hours and hourly rates.

4. The \$500,000 budgeted for the Recreation and Park Department would be used for the construction and related construction contingency costs for a new approximately 200 square feet wide, by 330 feet long soccer field to be located on the demolished site of the Richmond Sunset Plant, on Martin Luther King Drive in the southwest corner of Golden Gate Park. According to Mr. Phil Arnold of the Recreation and Park Department, the project schedule (including the anticipated construction start-up date), the construction contractor, and specific contract details for the project have not yet been finalized. Therefore, the \$500,000 budgeted for the new soccer field should be reserved pending the selection of a contractor, MBE/WBE status of the contractor and specific contract amount.

5. The Capital Improvements Advisory Committee (CIAC) recommends approval of the proposed supplemental appropriation ordinance.

Recommendations: 1. Reduce the amount of the proposed supplemental appropriation request of \$4,145,000 by \$11,270 to \$4,133,730 for non-construction costs from the account Building Structures and Improvement Project (060-06700/DPW 543330).

2. Amend the proposed ordinance to reserve a total of \$3,993,000 consisting of the following:

(a) \$3,300,000 as noted in Comment No. 2 above (consisting of \$3,000,000 in anticipated construction contract costs and \$300,000 in anticipated related contingencies) in funds budgeted for a construction contract related to the demolition and clean-up of the Richmond Sunset Water Pollution Control Plant, pending the selection of the construction contractor, the MBE/WBE status of the construction contractor and finalized construction contract details.

(b) \$193,000 of non-construction costs identified in Comment No. 3 above should be reserved pending a

determination of actual funding requirements, and the submission of finalized cost details, including the detailed hours and hourly rates.

(c) \$500,000 as noted in Comment No. 4 above in funds budgeted for a construction contract related to the construction of a new soccer field, pending the selection of a contractor, the MBE/WBE status of the contractor and the contract cost details.

3. Approve the proposed ordinance as amended.

Item 3 - File 127-95-5

Note: This item was rereferred to the Budget Committee by the Board of Supervisors at its meeting of July 31, 1995.

Item: The proposed ordinance would amend Part III of the San Francisco Municipal Code to: increase the portion of the Transient Occupancy Tax (Hotel Tax) surcharge, which is allocated to the General Fund, by 2 percent (from 2.75 percent to 4.75 percent effective October 1, 1995. The total Transient Occupancy Tax would increase from 12 percent to 14 percent. The proposed ordinance would also increase the Transient Occupancy Tax from 12 percent to 14 percent in certain Redevelopment Project Areas. These Redevelopment Project Area Hotel Tax Funds are dedicated to debt service related to bond funded improvements to the Yerba Buena Center and the Moscone Center.

Description:

1. In accordance with Section 502.5. of Part III of the San Francisco Municipal Code, the Board of Supervisors last increased the portion of the Hotel Tax rate surcharge, which is allocated to the General Fund, by 1 percent, from 1.75 percent to 2.75 percent (increasing the total Hotel Tax rate from 11 percent to 12 percent) in August, 1993. The proposed ordinance would increase that General Fund surcharge by 2 percent from 2.75 percent to 4.75 percent effective October 1, 1995.

2. Of the current 12 percent Hotel Tax rate, revenues from the base 8 percent of the 12 percent rate are deposited in the Hotel Tax Fund and dedicated to specific programs. The revenues produced by the remaining 4 percent of the Hotel Tax rate consist of two surcharges, one surcharge of 2.75 percent which is allocated to the General Fund and one surcharge of 1.25 percent which is presently allocated to the Moscone Center. Based on the Controller's 1995-96 Transient Occupancy Tax revenue estimate, the division of revenues described above are presently as follows:

1995-96 Estimated Revenue

Base Hotel Tax Rate (8%)	\$ 64,234,800
Hotel Tax Surcharge (4%)	<u>32,117,400</u>
Total (12%)	\$ 96,352,200

Based on the above estimate, if the Transient Occupancy Hotel Tax rate related to the 2.75 percent Hotel Tax Surcharge were to increase by 2 percent, from 2.75 percent

BOARD OF SUPERVISORS
BUDGET ANALYST

to 4.75 percent, the estimated additional Hotel Tax revenues collected would be \$16,058,700 annually (i.e., for a full 12-month period). However, for the 1995-96 Fiscal Year, this proposed increase could only be in place for the seven month period beginning December 1, 1995 and ending June 30, 1996. Therefore, the 2 percent increase in the surcharge for the last seven months of 1995-96 would increase General Fund revenues by an estimated \$8,993,000 according to the Controller's estimate. The Budget Analyst concurs with this estimate.

If this proposed legislation is approved, the new total Hotel Tax rate of 14 percent will consist of the base Hotel Tax Rate of 8 percent which are dedicated to specific programs and a Hotel Tax Surcharge rate of 6 percent. All revenue collected from the additional Hotel Tax Surcharge will be deposited in the City and County's General Fund. The Budget Analyst has been informed that the intent of this proposed ordinance is to secure a source of funds for General Fund expenditures that would be required to finance the construction and operation of a new Moscone Convention Center expansion. According to the Chief Administrative Officer's office, a ballot measure requesting voter approval of the lease revenue debt financing of the proposed expansion project will be placed on the ballot for the March, 1996 special election.

The Budget Analyst has been further informed that a request will be made to the Budget Committee to continue this proposed ordinance to the call of the Chair so that the proposed Hotel Tax Surcharge can be considered at a later date.

3. The attachment to this report presents survey information on hotel and lodging tax rates in U.S. Cities. This survey was provided to the Budget Analyst by the Convention and Visitors Bureau.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

<u>Rank</u>	<u>City</u>	<u>Hotel/Lodging Tax %</u>	<u>Notes</u>
1	Columbus	15.75	
2	Seattle.....	15.2	
3	Houston	15	
4	Chicago	14.86	
5	Cleveland	14.5	
6	Detroit	14	
7	Los Angeles.....	14	
8	St. Louis	13.85	
9	Knoxville.....	13.25	
10	Memphis.....	13.25	
11	New York*	13.25	Additional \$2.00 hotel fee per night
12	Anaheim*	13	Tax increases 2% a of 7/1/95
13	Atlanta.....	13	
14	Austin	13	
15	Dallas	13	
16	Philadelphia.....	13	
17	San Antonio.....	13	
18	Washington, DC*	13	\$1.50 hotel occupancy tax per night
19	Miami	12.5	
20	Nashville	12.25	
21	Atlantic City.....	12	
22	Baltimore.....	12	
23	Charlotte.....	12	
24	Minneapolis*	12	Tax is 2% less for establishments under 50 rooms
25	Raleigh	12	
26	San Francisco.....	12	
27	Kansas City	11.98	
28	Denver.....	11.8	
29	Sacramento.....	11.5	
30	New Orleans*	11	\$1-\$3 additional surcharge fee
31	Orlando.....	11	
32	Pittsburgh	11	
33	Riverside	11	
34	Jacksonville.....	10.5	
35	Norfolk	10.5	
36	San Diego.....	10.5	
37	Tampa.....	10.5	
38	Phoenix.....	10.35	
39	Cincinnati	10	
40	Daytona	10	
41	Indianapolis.....	10	
42	Oakland	10	
43	San Jose.....	10	
44	West Palm	10	
45	Boston	9.7	
46	Ft. Lauderdale	9	
47	Honolulu.....	9	
48	Portland	9	
49	Reno	9	
50	Las Vegas.....	8	

BOARD OF SUPERVISORS
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Memo to Budget Committee
September 13, 1995 Budget Committee Meeting

Item 4 - File 101-94-13.1

Department: Department of Public Works (DPW)
Item: Release of reserved funds
Amount: \$156,000
Source of Funds: Special Gas Tax Improvement Fund and Road Fund

Description: The Board of Supervisors previously approved a supplemental appropriation in the amount of \$3,835,000 to finance two capital improvement projects, the Chinatown Alleyway Improvement Project at a total estimated cost of \$2,938,000 and the Chinatown Lighting Improvement Project at a total estimated cost of \$897,000. At the same time, the Board of Supervisors placed \$700,000 for construction contracts for the Chinatown Lighting Improvement Project on reserve pending the selection of construction contracts, the submission of budget details and the MBE/WBE status of the contractors. The DPW is now requesting that \$156,000 of the \$700,000 be released from reserve, leaving a balance still on reserve of \$544,000.

The DPW advises that, through its Invitation for Bid process, the DPW has selected King C. Electric, based on a bid amount of \$120,000, to perform the necessary construction work for Phase I of the Chinatown Lighting Improvement Project. King C. Electric is an MBE firm. The DPW reports that two other firms submitted bids as follows:

<u>Firm</u>	<u>Bid Amount</u>
Pacific Construction (MBE)	\$122,450
Millard Tong Construction (MBE)	\$162,700

The requested \$156,000 would be expended by the DPW, as follows

Construction Contract	\$120,000
Construction Management (DPW):	
Inspection, Engineering and	
Material and Lab Testing Services	
(268 hrs. x an average of \$67 per/hr.)	18,000
Construction Contingency	<u>18,000</u>
Total	\$156,000

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The Chinatown Lighting Improvement Project would involve the installation of (1) additional dragon lanterns or similar lighting fixtures along Chinatown's Grant Avenue and (2) additional conventional lighting on other major streets in Chinatown, in order to discourage crime and enhance economic viability.

Comment:

As previously noted, the \$156,000 will be used to pay for Phase I of the Chinatown Lighting Improvement Project. The DPW advises that the construction work on this project is anticipated to be implemented in three phases. The source of funds for the remaining two phases of this project is the \$544,000 noted above that would remain on reserve.

Recommendation:

Approve the proposed release of reserved funds in the amount of \$156,000.

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Item 5 - File 101-90-128.3

Departments: Department of Public Works (DPW)
Fire Department

Item: Release of reserved funds

Amount: \$1,172,543

Source of Funds: 1989 Earthquake Safety Bond Program Fund

Description: The Board of Supervisors previously approved a supplemental appropriation request in the amount of \$6,500,000, from 1989 Earthquake Safety Bonds for the 1989 Earthquake Safety Bond Program Phase One (File 101-90-128). At the same time, the Board of Supervisors placed \$4,098,535 for construction contract services for various facilities on reserve pending the selection of contractors, determination of their MBE/WBE status and contract cost details. Of the \$4,098,535, the Board of Supervisors has previously released \$2,925,992 from reserve leaving a balance of \$1,172,543 still on reserve. The DPW is now requesting that the balance of \$1,172,543 be released from reserve to fund construction work on Fire Station No. 37 located at 798 Wisconsin Street.

The construction work will consist of seismic upgrading, interior remodeling, provisions for disabled access and construction of an addition to the existing building to provide (1) additional space to house a fire truck, (2) additional office space and additional space for the dispatch area, and (3) an additional rest room and locker room area for female firefighters.

The DPW advises that, in response to its Request for Bids, it received bids from the following four firms:

<u>Firm</u>	<u>Bid Amount</u>
A. R. Construction Co. (MBE)	\$1,336,857
Arntz Builders/D. Stewart Thompson, Inc. a Joint Venture (MBE)	\$1,477,353
Chiang C. M. Construction, Inc. (MBE)	\$1,534,058
Nibbi Tom, a Joint Venture (MBE)	\$1,604,666

According to the DPW, the lowest bidder, A. R. Construction Co., withdrew its bid, and the second lowest bidder, Arntz Builders/D. Stewart Thompson, a joint venture, was rejected by DPW as non-responsive because it failed to list a

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subcontractor as required by Section 4104(a) of the California Public Contract Code. Section 4104(a) requires a prime contractor's bid to list any subcontractors "who will perform work or labor or render service to the prime contractor in an amount in excess of one-half of one percent of the prime contractor's total bid." As such, the DPW selected the third lowest bidder, Chiang C. M. Construction, Inc., an MBE firm, based on a bid amount of \$1,534,058. The Attachment provided by DPW shows the contract cost details and a list of the subcontractors including the amounts to be allocated to the subcontractors, as well as the MBE/WBE status of the subcontractors.

The \$1,534,058 construction bid of Chiang C. M. Construction, Inc. is \$361,515 more than the requested \$1,172,543. The DPW advises that the \$361,515 balance will be paid for by previously appropriated 1989 Earthquake Safety Bond Program funds.

Recommendation: Approve the proposed release of reserved funds in the amount of \$1,172,543.

Prime Contractor, MBE (55.4%)

Chiang C.M. Construction, Inc.	\$850,934
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Subcontractors, MBE

D & S Associates (Plumbing)	\$123,250	
Gitane (waterproofing)	39,090	
W. L. Electric	109,980	
Yum's Mechanical	<u>91,000</u>	
Subtotal (23.6%)		363,320

Subcontractors, WBE

C & S Ironworks	\$99,280	
Cherokee Glass	28,500	
City Lumber & Hardware	<u>19,500</u>	
Subtotal (9.6%)		<u>147,280</u>
Total WBE/MBE Participation (33.2%)		\$1,361,534

Subcontractors, non-MBE/WBE

Alcal Roofing	10,222	
Byron Epp (telescoping doors)	24,681	
Concrete Structures	9,500	
Davis Tile	10,366	
J. M. Cabinets (cascwork)	53,855	
R. P. Coatings (flooring)	25,600	
Rainbow (masonry restoration)	<u>\$38,300</u>	
Subtotal (11.2%)		<u>172,524</u>

TOTAL CONSTRUCTION CONTRACT

	\$1,534,058
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Item 6 - File 101-94-80.1

Department: District Attorney's Family Support Bureau (FSB)

Item: Consideration of release of reserved funds, in the amount of \$592,530 for the purchase of 151 personal computers and 36 laser printers for the District Attorney's Family Support Bureau.

Amount: \$592,530

Source of Funds:

U.S. Health and Human Services (HHS)	\$534,430
Reappropriation of FY 1994-95 Other Non-personal Services Monies	<u>59,381</u>
Total	*\$593,811

*The Board of Supervisors originally reserved an amount of \$592,530, including \$533,277 in HHS funds and \$59,253 in Family Support Bureau funds. However, since those funds were reserved, HHS revised the total cost for the equipment because HHS had calculated the total cost of the equipment based on an incorrect Sales Tax rate of 8.25 percent instead of the current rate of 8.5 percent. Based on the revised calculations, HHS is to provide its 90 percent portion of the total cost, or \$534,430, which is \$1,153 more than had been reserved. The City's portion, or 10 percent of the cost of the equipment, increased by \$128 from \$59,253 to \$59,381. (See Comment No. 7) The revised figures are used as the basis of this report.

Description:

Background

In April of 1995, the Board of Supervisors approved an ordinance appropriating \$533,277 in Federal Health and Human Services funds, and reappropriating \$59,253 from non-personal services to fund \$592,530 of computer equipment and installation costs for 151 personal computers and 36 printers for the District Attorney's Family Support Bureau (FSB), in order to participate in the State Department of Social Service's Statewide Automated Child Support System (SACSS) (File 101-94-80). As noted above, these figures were later revised by HHS to correct for a miscalculation of the Sales Tax rate in San Francisco. The revised total cost of the computer equipment and installation costs is \$593,811, including \$534,430 in HHS funds, and \$59,381 in FSB funds.

Ms. Edwina Young of the FSB advises that the FSB is required by Federal and State law to participate in SACSS. According to Ms. Young, the State, in conjunction with the

counties, determined both the quantity and type of computer equipment that would be needed by the FSB, and the State designated the vendor, Lockheed Martin, from which the FSB would purchase or lease the equipment and related services for participation in SACSS. The Federal HHS will provide a total of \$534,430, or 90% of the \$593,811 necessary to purchase the equipment. As noted above, the remaining 10 percent of \$593,811, or \$59,381, is a reappropriation of FSB funds. Ms. Young advises that the FSB chose to purchase instead of to lease the equipment, in order to realize a total estimated savings of \$142,515 (See Comment No. 1 and Attachment No. III).

Because of questions raised by the Board of Supervisors at its meeting of April 10, 1995 pertaining to the apparently excessive prices for the personal computers, the required number of the personal computers, and the designation of the vendor, Lockheed Martin, the Board of Supervisors placed the entire original amount of \$592,530 on reserve pending a review of these matters by the offices of the Controller and the Budget Analyst. In addition to reserving the funds, the Board of Supervisors adopted a resolution on April 24, 1995, which urged the District Attorney to request that the State Department of Social Services renegotiate the prices for the computer equipment to be used in the Statewide Automated Child Support System (File 12-95-21).

State Response to Board of Supervisors Resolution

In response, Mr. Russell Bohart of the State Health and Welfare Agency Data Center advises that in May of 1995, Lockheed Martin upgraded the quality of the personal computers, but maintained the same prices as the previously offered personal computers. Ms. Miyo Ishihara of the State Health and Welfare Agency Data Center advises that although the price and quality of the printers offered by Lockheed Martin have not changed, price surveys conducted by the SACSS project staff in both October of 1994, and March of 1995 determined that the printers offered by Lockheed Martin, including all of the options, as well as the personal computers, were competitively priced with the open market.

Mr. Bohart states that in May of 1995, the SACSS project staff completed a third price survey to confirm that the upgraded personal computer prices and services offered were comparable to other vendors. Mr. Bohart advises that the survey determined that the "DEC PC being offered by Lockheed Martin is very favorably priced compared to similar offerings in the open market." Attachment 1 provided by the

FSB details the specifications of the computers that the City was previously offered, and the specifications of the upgraded computers provided by Digital Equipment Corporation which Lockheed Martin is now offering. Attachment II, provided by FSB details the prices, as well as the specifications, for all of the SACSS upgraded personal computers, and printers.

In addition, Mr. Bohart advises that as of June of 1995, counties which had not yet ordered computer equipment from Lockheed Martin were given the option to purchase personal computer equipment from an alternate source of their choice. Mr. Bohart advises that this option does not apply to printers because the purchase of printers from vendors other than Lockheed Martin was not part of the negotiations between the State and Lockheed Martin. Mr. Bohart advises that if counties desire to purchase printers from vendors other than Lockheed Martin, than this component of the contract can also be renegotiated. However, the FSB had already purchased the personal computer equipment provided by Lockheed Martin prior to this change in State policy.

Installation of System

Ms. Young advises that Lockheed Martin installed the SACSS computer equipment for the FSB during the month of May, 1995. According to Ms. Young, the FSB installed the equipment prior to the Board of Supervisors release of the reserved funds for the purchase of the computer system primarily because the FSB relocated to a new office beginning on May 1, 1995, and the employees would have been unable to perform their duties without a computer system. Ms. Young advises that the duties of the Family Support Bureau are completely automated, including the documentation of client/staff appointments and progress notes. According to Ms. Young, the existing computer equipment was not compatible with SACSS, so the existing equipment could not have been installed at the new site because it would have been incompatible with the wiring system at the new site which was installed for compatibility with SACSS. In addition, Ms. Young advises that at the time of the relocation of the FSB, the FSB did not have the option of purchasing equipment from a vendor other than Lockheed Martin. As noted above, Ms. Young advises that the FSB has now received the upgraded personal computers and printers. Attachment III, provided by the FSB explains the reasons why the FSB installed the equipment prior to the release of the reserved funds by the Board of Supervisors, including a description of the cost savings associated with purchasing versus leasing the equipment provided by Lockheed Martin.

Summary

In summary, on April 10, 1995, the Board of Supervisors reserved funds in the amount of \$592,530 (later revised by HHS to \$593,811) for the purchase of 151 personal computers and 36 printers for the District Attorney's Family Support Bureau. Of the \$593,811, the U.S. Health and Human Services Department (HHS) will provide \$534,430 of the cost of the equipment, or 90 percent, and the City will provide \$59,381, or 10 percent of the cost of the equipment. If the computer equipment and printers are not formally purchased by September 30, 1995, the amount of \$534,430 must be returned to HHS.

In May of 1995, Lockheed Martin upgraded the quality of the computers, but maintained the same prices as the previously offered personal computers. In May of 1995, the Family Support Bureau installed the upgraded computer equipment and installed the printers prior to the Board of Supervisors releasing of reserved funds, primarily because the FSB relocated to a new office beginning on May 1, 1995, and the employees would have been unable to perform their duties without a computer system. According to Ms. Young, the existing equipment was not compatible with the SACSS, or with the wiring at the new building.

Surveys conducted by the State's Statewide Automated Child Support System (SACSS) project staff found that the upgraded computer equipment and the printers were competitively priced with prices in the open market.

Comments:

1. Ms. Young advises that at the time that Lockheed Martin installed the FSB's computer equipment in May of 1995, the FSB had the option to either lease or purchase the equipment from Lockheed Martin. Ms. Young advises that the FSB chose to purchase the equipment from Lockheed Martin, because if the FSB had chosen to lease the computer equipment, HHS would have only provided 66 percent of the cost for the leased equipment, or \$391,916 over a 36 month lease period, and the City would have been responsible for 34 percent of the cost of leasing the equipment for 36 months, or \$201,896. As noted above, the HHS will provide a total of \$534,430, or 90% of the \$593,811 to purchase the equipment, and the remaining 10 percent of \$593,811, or \$59,381, is a reappropriation of FSB funds. Ms. Young advises that the total estimated savings for the City as a result of purchasing rather than leasing the equipment is \$142,515 (See Attachment No. III).

2. Ms. Young advises that the City must pay Lockheed Martin for the computer equipment by September 30, 1995, or the funds provided by the HHS in the amount of \$534,430 will be returned to HHS.

3. Ms. Deborah Vincent-James of the Controller's Electronic Processing Steering Committee (EIPSC) advises that the FSB's personal computer equipment and printer specifications both meet and in some cases exceed City standards. Ms. Vincent-James advises that the prices for the personal computer equipment and printers are competitive with prices which the City would pay if the equipment had been purchased through the Computer Store. Ms. Vincent-James advises that the Computer Store is composed of three vendors which were selected by the City through a competitive bid process, in order to provide the City with hardware and software equipment. These vendors are (1) Desktop Products, (2) Ciber Networking, and (3) Edge Information.

4. Ms. Miyo Ishihara of the State Health and Welfare Agency Data Center advises that Lockheed Martin was selected through a competitive bid process based on points awarded for technical qualifications, and cost. Ms. Ishihara advises that of the four bidders, Lockheed Martin received the most points, and was therefore awarded the contract by the State.

5. As noted above, the State, in conjunction with the counties, determined the quantity and type of proposed computer equipment. Ms. Young advises the State's determination for quantity and type of computer equipment was based on staff size, caseload size, and other information derived from monthly reports submitted to the State by FSB. Ms. Young advises that the State allocates a computer to each of the 141 employees, including clerical employees, because each employee will use the computer each day to access and input information concerning each specific case. The State also allocated 10 computers for 12 interview cubicles, for a total of 151 personal computers and 36 printers. Ms. Young advises that the State calculated the number of printers for the FSB based on the existing and anticipated caseload size. As noted above, Ms. Young advises that the duties of the Family Support Bureau are completely automated. Therefore, according to Ms. Young, it is necessary for each employee to have a personal computer.

6. Ms. Ishihara advises that, as of the writing of this report, no other counties in California have opted to purchase

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personal computer equipment from a vendor other than Lockheed Martin. As noted above, counties do not have the option to purchase printers from a vendor other than Lockheed Martin. Ms. Ishihara believes that counties have not opted to purchase personal computers from a vendor other than Lockheed Martin because (1) the prices of Lockheed Martin's upgraded personal computer equipment, including the cost of all of the options required by SACSS, are competitive based on the upgraded equipment, and (2) the financial and technical risk to a county when using equipment from a vendor other than Lockheed Martin would be restrictive because the county would be responsible for any unanticipated costs, and or system problems associated with personal computer equipment not purchased from Lockheed Martin, according to Ms. Ishihara. For example, if a county purchases equipment from Lockheed Martin, then Lockheed Martin will repair all computer, printer, and network problems as part of the county's monthly maintenance cost. If a county purchases equipment from another vendor, the county would be responsible for (1) guaranteeing the technical integration between its personal computers, the networks, software and hardware to SACSS, and (2) evaluating, procuring, staging and installing its personal computers, as well as providing warranties and ongoing maintenance for the equipment.

7. As noted above, the original amount of funding reserved by the Board of Supervisors for computer equipment was \$592,530, including \$533,277 HHS funds and \$59,253 FSB funds. HHS subsequently revised the cost of the computer equipment by \$1,281 to \$593,811, to reflect the actual Sales Tax rate of 8.5 percent in San Francisco. The revised cost represents an increased cost of \$1,153 for HHS, and \$128 for FSB. Ms. Young advises that there are sufficient funds in the Family Support Bureau's FY 1995-96 SACSS project budget to fund the additional amount of \$128. In addition, the Budget Analyst notes that the Family Support Bureau has provided documentation that the City has received HHS funds, through the State, for the revised amount of \$534,430, which includes the additional cost to HHS of \$1,153. Mr. Madden of the Controller's Office has advised the Budget Analyst that the original appropriation can be adjusted administratively to reflect the revised cost of the computer equipment.

8. The Board of Supervisors requested a review of this matter by the Controller and the Budget Analyst. As discussed in Comment No. 3, EIPSC has conducted a review for the Controller, and concludes that the specifications meet

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Memo to Budget Committee
September 13, 1995

or exceed City standards and the prices of the upgraded equipment are competitive.

Recommendation: Approve the proposed release of reserved funds.

SACSS Personal Computer Specifications

<i>Component Reference Name</i>	<i>Former Supplier</i>	<i>Digital Equipment</i>
Motherboard	486 DX2/66 CPU Energy Star by INTEL 128 kb installed, 256 kb max. 5 ISA, 2 VESA bus slots	Digital Venturis Full Profile 486 DX2/66 CPU Energy Star 128 kb installed, 256 kb max. 5 ISA, 1 PCMCIA bus slots
Cache:	Memory 128K cache	Memory 128K cache
Bios:	Award Bios	Phoenix Bios
Ram:	16 mb 70ns SIMMS memory	16 mb 70ns SIMMS memory
Hard Drive:	210 mb/420 mb/540 mb	420mb/540 mb enhanced IDE controller on motherboard
Floppy Drive:	3-1/2 - 1.44 mb	3-1/2 - 1.44 mb
Ethernet Card:	Accton	Digital
Video Card:	VESA - VGA card with 1 mb memory	64 bit graphics on motherboard - 1mb upgradeable to 2mb
Case:	Desktop, 5 drive bays 3 -5.25" and 3 -3.5"	Desktop, 6 drive bays 2 -5.25" and 3 -3.5" and 1-PCMCIA
Monitor:	15" or 17" Mitac non-glare screen .28 dp, 1024 x 768 Non-Interlaced	Digital 15" or 17" .28 db, 1024 x 768 Non-interlaced
Port:	2 serial, 1 parallel	2 hi-speed serial, 1 (ECP/EPP) parallel integrated on motherboard
Keyboard:	Maxiswitch	Digital
Mouse:	MSmouse version 2	Digital Microsoft compatible mouse
DOS:	Version 6.22	Version 6.22
Windows:	Version 3.1	Version 3.11 for Work Groups
Warranty:	1 year	1 year

June 9, 1995

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SACSS PERSONAL COMPUTER/PRINTER CONFIGURATION AND COSTS

EQUIPMENT	PURCHASE PRICE	DEST/INST CHARGE	* 36 MONTH LEASE RATE	MONTHLY MAIN.
<i>Standard Configuration</i>				
486 DX2 Personal Computer	\$2,658.83	\$165.00	\$86.11	\$5.50
HP Laserjet 4si Printer	\$4,000.00	\$365.00	\$129.54	\$71.00
HP Laserjet 4 Plus Printer	\$2,511.00	\$340.00	\$81.32	\$59.50
<i>PC Upgrades</i>				
Pentium 75Mhz	\$291.17	\$0.00	\$95.53	\$5.50
540 MB Hard Disk Upgrade	\$108.32	\$0.00	\$3.50	\$0.00
Monitor Upgrade to 17" (.28)	\$389.11	\$0.00	\$12.60	\$0.75
Wand	\$288.00	\$7.50	\$9.33	\$1.00
Microsoft Ergonomic Keyboard	\$90.00	\$0.00	2.91	\$0.00
PC Accessories Ergonomic Keyboard	\$75.00	\$0.00	\$2.43	\$0.00
<i>Printer Upgrades</i>				
1500-Sheet Letter Tray (4si only)	\$495.00	\$10.00	\$16.03	\$0.00
Printer Stand	\$168.00	\$0.00	\$5.44	\$0.00

* 36 month lease terms are under negotiation
TBD - to be determined

Note: Counties purchasing equipment pay 10% share of PCs, printers, destination/installation charges & applicable sales tax
(Counties must pay 34% share for upgrades except ergonomic keyboard)

Counties leasing PCs and printers pay 34% share (after 90 days) and no destination/installation charges or sales tax

STANDARD CONFIGURATION

STANDARD PERSONAL COMPUTER ✓

Digital Venturis Full Profile DX2/66 486 processor
w/128 KB cache (Energy Star version)
16 MB RAM
420MB Hard Disk
15" SVGA .28 Monitor w/1MB Video RAM
3.5" Diskette Drive
Digital Ethernet Card
Digital Microsoft Compatible Mouse
Level 5 RJ45 10' Patch Cord
MS Windows v3.11 for Work Groups
Word Perfect 5.2
DOS v6.22
Surge Protector
One Year Warranty

Pentium UPGRADE CONFIGURATION (software same as above)

Digital Venturis Full Profile, Pentium 75Mhz, 16mbRam
256k cache (Energy Star version)
845 MB Hard Disk
DOS/Windows Mouse
Digital 15" SVGA Monitor w/1MB Video RAM
Digital Etherworks 10BT NIC
Surge Protector
10' Cat 5 RJ45 Patch Cord
One Year Warranty

HP 4si PRINTER ✓

LASERJET 4si
Duplex Option Kit
Legal Paper Tray
+2 MB Memory [4 MB Total]
Level 5 RJ45 10' Patch Cord
Surge Protector
Emulex Network Card
[TCP/IP, LAT, Novell]
One Year Warranty

HP 4 Plus PRINTER ✓

LASERJET 4 Plus
Duplex Option Kit
+2 MB Memory [4 MB Total]
Level 5 RJ45 10' Patch Cord
Surge Protector
Emulex Network Card
[TCP/IP, LAT, Novell]
One Year Warranty

ARLO SMITH
DISTRICT ATTORNEY
CITY AND COUNTY
OF SAN FRANCISCO



ROBERT PODESTA
CHIEF ASSISTANT
DISTRICT ATTORNEY

DISTRICT ATTORNEY FAMILY SUPPORT BUREAU

617 Mission Street, San Francisco, CA 94105 Tel. (415) 356-2700

September 5, 1995

Mr. Harvey Rose
Budget Analyst to the Board of Supervisor's
City and County of San Francisco

San Francisco, CA 94103

Reference: Reserve, Ordinance #152-95

Dear Mr. Rose:

Pursuant to a request from your staff analyst I am writing to explain how the computer equipment was installed in the Family Support Bureau without the release of the appropriation placed on reserve by Ordinance #152-95.

The federal government has mandated that a Statewide Automated Child Support System be installed in every county in California. The mandate requires the state to have a master plan that is approved at various milestones or specific times during the design, development, and implementation of the system.

Part of the master plan is the hardware configuration and installation plan. This must be approved by the federal government in every detail. The plan submitted by the State of California was approved for installation in every county with the counties leasing the hardware. The lease would be paid to the State by way of a reduction in the advance of federal funds for operation of the Child Support Program.

In Federal Action Transmittal AT 94-5 issued July 22, 1994 the policy of the federal government changed to permit the purchase of the hardware with 90% federal funding. Up to that specific date, the federal government required leasing the hardware. The federal funding for the lease would be 90% until one month following implementation and thereafter the lease cost would be federally funded at just 66%.

San Francisco was scheduled to implement SACSS in this county May 1, 1995. Due to the end of the lease at 291 10th Street in June of 1995, the Family Support Bureau Budget was prepared and submitted taking the move to a new facility and changes in automation in mind. When the State schedule for full implementation slipped, special accommodations were made to see that the hardware was installed in San Francisco in time to provide service to the public without interruption.

Harvey Rose
Budget Analyst
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When the opportunity was presented to buy the equipment at 90% Federal/10% County cost rather than leasing it with 66% Federal/34% County cost, I requested the approval to spend funds already appropriated in the Family Support Bureau Budget for the purpose of moving to a new location and SACSS implementation (See project budget for 1994/95). This would help the county realize a \$142,515 cost savings over the next three years.

Cost of the Hardware Includes Tax, Delivery and Installation	66% Federal 34% County	90% Federal 10% County	Savings
\$593,812.01	\$391,916 \$201,896	\$534,430 \$ 59,381	\$142,515

In addition to the County cost incurred if the equipment was leased rather than purchased is interest on the lease, a cost that is not is not reimbursed by the federal government.

The equipment was going to be installed anyway. The alternatives were to lease it at 34% county funds over a three year period, or buy it at 10% county funds before October 1, 1995. I was simply seizing the opportunity to save the county money (a minimum of \$142,515).

Very truly yours,

0/5

EDWINA YOUNG, Director
Family Support Bureau

CC: Ed Harrington
Controller

Item 7 - File 7-95-6

1. This item is a hearing to consider the Municipal Railway's staffing, funding levels, wages and benefits over the last five years. Reports have been requested from the Director of Human Resources, the Controller, the Municipal Railway management, the Transport Workers Union leadership and the Budget Analyst.

2. During the last five years, between Fiscal Year 1991-92 and Fiscal Year 1995-96, the staffing of the Municipal Railway has increased from by 241 positions, or approximately 7.2 percent, from 3,334 position to 3,575 positions. However, this increase of 241 positions includes 274 positions which were transferred to the Municipal Railway from the Public Utilities Commission budget in Fiscal Year 1994-95 in order to implement Proposition M which created the new Transportation Commission. Therefore, without the transfer of the 274 positions from the Public Utilities Commission to the Municipal Railway, the Municipal Railway has experienced a decrease of 33 positions (274 transferred positions less 241 position increases). Attachment 1 to this report summarizes the positions listed in each year's Annual Salary Ordinance.

3. The 241 position increase in the Annual Salary Ordinance From Fiscal Year 1991-92 includes an increase in Equipment Maintenance staffing of 27 positions from 1,080 to 1,107. Administrative positions have increased by 139 positions, from 63 positions to 202 positions, mostly due to transfer of positions from the Public Utilities Commission. The increase in Municipal Railway positions also includes 133 positions in the Capital Projects budget which were previously in the Public Utilities Commission, Utilities Engineering Bureau budget. Field Operations staffing has been reduced by 58 positions from 358 to 300. This reduction of 58 positions includes 39 Transit Supervisor and Transit Manager positions and 7 clerical positions. Platform Operators have remained the same at 1,833 positions.

4. During the last five years, from Fiscal Year 1991-92 through Fiscal Year 1995-96, the budget of the Municipal Railway has increased by \$3,256,961 or 1.15% from \$281,989,757 to \$285,246,718. Attachment 2 to this report summarizes the budgeted appropriations, by type of account, as approved by the Board of Supervisors in each year's Annual Appropriation Ordinance.

ANALYSIS OF MUNICIPAL RAILWAY STAFFING

	<u>FY 1991-92</u>	<u>FY 1992-93</u>	<u>FY 1993-94</u>	<u>FY 1994-95</u>	<u>FY 1995-96</u>	Increase (Decrease) From FY 1991-92 To FY 1995-96
Field Operations (Dispatchers Transit Line Coordinators, etc.)	358	317	315	301	300	-58
Platform Operators	1,833	1,833	1,833	1,833	1,833	0
Administration (Including Director's Office)	63	108	49	195	202	139
Equipment Maintenance	1,080	1,064	1,101	1,108	1,107	27
Capital Projects	—	—	—	141 *	133 *	133
Totals	3,334	3,322	3,298	3,578	3,575	241
Percent Increase (Decrease)		-0.36%	-0.72%	8.49%	-0.08%	

* Previously included in the Public Utilities Commission, Utilities Engineering Bureau Budget.

Notes: 1. The source of this data is from the approved Annual Salary Ordinances.

2. The position counts do not include administrative and engineering staff assigned to the Public Utilities Commission (PUC) during FY 1991-92, FY 1992-93 and FY 1993-94. 274 positions were transferred from the PUC to the Municipal Railway in FY 1994-95. Excluding such transfers, there was a decrease of 33 positions (274 transfers less the 241 increases shown above).

ANALYSIS OF MUNICIPAL RAILWAY BUDGETED EXPENDITURES

9/7/95 10:13

	FY 1991-92	FY 1992-93	FY 1993-94	FY 1994-95	FY 1995-96
Personal Services	\$152,141,293	\$155,111,449	\$153,204,196	\$163,956,395	\$163,492,189
Mandatory Fringe Benefits	45,062,964	46,681,503	40,566,774	40,866,296	42,961,910
Non Personal Services	23,005,087	25,447,610	30,232,936	33,025,416	33,838,200
Materials and Supplies	15,596,380	15,583,167	15,961,528	17,118,365	19,245,018
Services of Other Departments	28,912,587	25,712,904	25,650,498	16,316,863	17,434,024
Transit Impact Fund	2,554,658	15,370,911	5,755,901	4,530,892	4,636,521
Capital Outlay	2,991,535	2,914,720	2,732,600	2,067,830	2,001,650
Facilities Maintenance	11,630,000	4,171,600	373,900	327,800	163,900
Mandatory Drug Testing	0	0	0	548,052	917,036
Transit Shelter Program	95,253	97,598	111,299	114,813	114,597
Other Costs		<u>1,183,901</u>	0	<u>75,312</u>	<u>441,673</u>
Totals	\$281,989,757	\$292,275,363	\$274,589,632	\$278,948,034	\$285,246,718
Percent Increase (Decrease)		3.65%	-6.05%	1.59%	2.26%

Notes: 1. The source of this data is the approved Annual Appropriation Ordinances.

2. Most administrative and engineering staff were budgeted in Services of Other Departments (Public Utilities Commission) during Fiscal Years 1991-92, 1992-93 and 1993-94.

Memo to Budget Committee
September 13, 1995 Budget Committee Meeting

Item 8 - File 101-95-8

Note: This item was continued by the Budget Committee at its meeting of August 2, 1995.

Departments: Department of Parking and Traffic (DPT)
Department of Public Works (DPW)
City Attorney's Office

Item: Supplemental appropriation ordinance appropriating \$200,000 in Parking Revenue Funds to a capital improvement project for remediation work at St. Mary's Square Garage.

Amount: \$200,000

Source of Funds: Parking Revenue Fund (previously known as the Off-Street Parking Fund)

Description: The Board of Supervisors previously approved a supplemental appropriation ordinance in the amount of \$245,000 to pay for the removal of eight underground storage tanks at the St. Mary's Square Garage (File 101-93-98). These eight tanks were removed in March of 1994. However, the Department of Parking and Traffic (DPT) reported at that time that soil and ground water contamination had resulted from the leakage of some of these tanks and that remediation (clean up of contaminants) work would have to be performed at the site. The Department of Public Health, in conjunction with the Regional Water Quality Control Board, directed DPT to determine the extent of contamination at the St. Mary's Square Garage site and develop a remediation plan. Remediation is required pursuant to State law, according to Ms. Elaine Warren of the City Attorney's Office. As such, the Board of Supervisors approved a second supplemental appropriation ordinance in the amount of \$120,000 to pay for a consultant to further investigate the extent of the contamination and prepare a remedial plan (File 101-94-60). The proposed third supplemental appropriation ordinance would appropriate \$200,000 in Parking Revenue Funds primarily for as-needed environmental contract services, including pilot studies to test the type of remediation technology which will work most effectively to remove the contaminants.

The DPT estimates that the total cost of the actual remediation work, which has not yet begun, will be between \$1.5 million and \$2 million. As of the writing of this report, the source of funds for the actual remediation work had not been specifically identified.

The proposed \$200,000 request would be appropriated for the following expenditures:

Remediation Contract

\$150,000

Through a Request for Proposal (RFP) process, the Department of Public Works (DPW) has awarded a contract to Rust Environment and Infrastructure/AGS Inc., in the amount of \$150,000, to perform as-needed environmental services. Such services, as previously noted, will consist primarily of pilot studies to test the type of remediation technology which will work most effectively to remove the contaminants from the St. Mary's Square Garage site. Once the appropriate technology has been selected, the actual remediation work can begin. Rust Environment and Infrastructure/AGS Inc. is a Joint Venture. Rust Environment and Infrastructure is neither an MBE or a WBE firm. AGS Inc., Consulting Engineers is an MBE firm. AGS Inc. would be allotted \$60,000 or 40 percent of the \$150,000 contract.

The budget details for this request of \$200,000 are as follows:

**Rust Environment and Infrastructure/AGS Inc.,
a Joint Venture**

Principal Project Manager

(56 hrs. @ \$120 per/hr.)	\$6,720
Task Leader (188 hrs. @ \$95 per/hr.)	17,860
Senior Engineer (392 hrs. @ \$90 per/hr.)	35,280
Staff Geologist (264 hrs. @ \$65 per/hr.)	17,160
Technician (122 hrs. @ \$45 per/hr.)	5,490
Drafting (135 hrs. @ \$45 per/hr.)	6,075
Word Processing (32 hrs. @ \$45 per/hr.)	1,440
Chemical Analysis	12,000
Drilling Cost	5,900
Treatment Permit Fees	8,000
Miscellaneous	<u>1,695</u>
Subtotal	\$117,620

Subcontractor

Baseline Environmental (WBE):

Principal Project Manager (8 hrs. @ \$120 per/hr.)	\$960
Task Leader (40 hrs. @ \$95 per/hr.)	3,800
Senior Engineer (8 hrs. @ \$90 per/hr.)	720
Staff Geologist (24 hrs. @ \$65 per/hr.)	1,560
Technician (120 hrs. @ \$45 per/hr.)	5,400
Word Processing (40 hrs. @ \$45 per/hr.)	1,800
Permits	2,140
Chemical Analysis	<u>16,000</u>
Subtotal	\$32,380

Total \$150,000

Project Management (DPW)

\$15,000

DPW is requesting \$15,000 for project management activities, as follows:

Division Manager (\$76 per/hr. x 12 hrs.)	\$912
Section Manager (\$64 per/hr. x 18 hrs.)	1,152
Mechanical Engineer (\$48 per/hr. x 240 hrs.)	11,520
Regulatory Specialist (\$48 per/hr. x 30 hrs.)	<u>1,440</u>
Total	\$15,024

Rounded to \$15,000

City Attorney

35,000

In May of 1995, the owner of the property located adjacent to St. Mary's Square Garage (the Shorenstein Company) filed a lawsuit against the City seeking remediation of the site and damages which it claims resulted from the leakage of the underground storage tanks. The DPT is requesting \$35,000 for the City Attorney's Office for the cost of retaining expert witnesses, in order to resolve or defend the claim filed against the City by the Shorenstein Company. The \$35,000 would pay for 200 hours of expert witness services at \$170/per hour for a total of \$34,000 plus \$1,000 in overhead costs associated with these services.

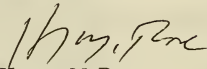
Total Estimated Costs

\$200,000

Memo to Budget Committee
September 13, 1995 Budget Committee Meeting

Comment: Ms. Carol Shamblen of the DPW advises that the DPW estimates that the actual remediation work will commence between July and August of 1996.

Recommendation: Approve the proposed ordinance.


Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

SF
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#2
9/20/95

MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT

AUG 27 1995

SAN FRANCISCO
PUBLIC LIBRARY

WEDNESDAY, SEPTEMBER 20, 1995 - 1:00 P.M.

ROOM 410, VETERANS BLDG.
401 VAN NESS AVENUE

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

CLERK: JONI BLANCHARD

TIME MEETING CONVENED: 1:12 P.M.

FEES

1. File 115-95-6. [Planning Fees] Ordinance amending the Planning Code by amending Section 358 to institute a surcharge to cover increased labor costs incurred for fiscal year 1995-96. (City Planning Commission)

SPEAKERS: None.

ACTION: Tabled (at the request of sponsor).

2. File 97-95-41. [Agricultural Products Inspection Fees] Ordinance amending the Administrative Code by amending Section 1.10 to increase fees charged by the San Francisco County Agricultural Commissioner for the inspection and certification of agricultural products. (Department of Agriculture and Weights and Measures)

SPEAKERS: Harvey Rose, Budget Analyst - support; Dave Frieders, County Agricultural Commissioner - support.

ACTION: Hearing held. Recommended.

3. File 97-95-42. [Farmers' Market Certification Fee] Ordinance amending the Administrative Code by adding Section 1.10-1 to authorize the San Francisco County Agricultural Commissioner to impose a fee for the issuance, modification, verification or renewal of any certificate for any certified Farmers' Market operating within the City and County of San Francisco. (Department of Agriculture and Weights and Measures)

SPEAKERS: Harvey Rose, Budget Analyst - support; Dave Frieders, County Agricultural Commissioner - support.

ACTION: Hearing held. Recommended.

4. File No. 97-95-43. [Quarantine Inspection Fees] Ordinance amending the Administrative Code by adding Section 1.10-2 authorize the County Agricultural Commissioner to impose fees for off-hours inspection and/or reinspection of quarantine shipments. (Department of Agriculture and Weights and Measures)

SPEAKERS: Harvey Rose, Budget Analyst - support; Dave Frieders, County Agricultural Commissioner - support.

ACTION: Hearing held. Recommended.

5. File 97-95-44. [Salad Processing Inspection Fee] Ordinance amending the Administrative Code by adding Section 1.10-3 to authorize the San Francisco County Agricultural Commissioner to impose fees for the inspection of salad products processors operating in the City and County of San Francisco. Department of Agriculture and Weights and Measures)

SPEAKERS: Harvey Rose, Budget Analyst - support; Dave Frieders, County Agricultural Commissioner - support.

ACTION: Hearing held. Recommended.

TAX

6. File 127-95-11. [Stadium Operator Admission Tax] Ordinance amending Part III of the San Francisco Municipal Code by amending Section 802A of Article 11 thereof, to extend the duration of the Temporary Admission Tax through the season of the year 2000 for professional football and baseball games and through June 30, 2000 for other events. (Supervisor Hallinan)

SPEAKERS: Harvey Rose, Budget Analyst - provided information; Ed Harrington, Controller - provided information; Robert Golton, SFUSD - support.

ACTION: Hearing held. Recommended.

FISCAL ITEMS

7. File 101-95-17. [Appropriation, Department of Social Services] Ordinance appropriating \$152,640 of federal revenue to contractual services for the Public Authority for In-Home Supportive Services at the Department of Social Services. (Controller) RO #95036

SPEAKERS: Harvey Rose, Budget Analyst - support; Brian Cahill, General Manager, Department of Social Services - support.

ACTION: Hearing held. Recommended.

8. File 101-95-18. [Appropriation, Department of Social Services] Ordinance appropriating \$1,216,500, Department of Social Services, of federal, state and local revenues to capital improvement project (Maintenance, repairs, and alterations at 170 Otis Street, 1140 Harrison Street and 1235 Mission Street) to comply with Americans with Disability Act, for fiscal year 1995-96. (Controller) RO #95035

SPEAKERS: Harvey Rose, Budget Analyst - support; Brian Cahill, General Manager, Department of Social Services - support.

ACTION: Hearing held. Recommended.

HEARING

9. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)

SPEAKERS: Ed Harrington, Controller; Harvey Rose, Budget Analyst; Dr. Sandra Hernandez, Director, Department of Public Health; Brian Cahill, General Manager, Department of Social Services; Teresa Serata, Mayor's Office; David Ishida, Executive Director, Commission on Aging; Edwin Lee, Director, Human Rights Commission; Sonia Melara, Executive Director, Commission on the Status of Women; Lawana Preston, Local 790; Jennie Chin Hansen, On Lok Senior Service Agency; Mark Moser, Executive Director, Committee on Jobs.

ACTION: Hearing held. Consideration continued to 9/27/95.

10. File 100-95-7. [Government Efficiency] Hearing to consider ways to increase efficiency and reduce costs in the City's human welfare and community health departments (Commission on the Aging, Human Rights Commission, Commission on the Status of Women, Department of Social Services, Community Health Services, Laguna Honda Hospital, San Francisco General Hospital and Community Mental Health Services). (Supervisor Hsieh)

SPEAKERS: Ed Harrington, Controller; Harvey Rose, Budget Analyst; Dr. Sandra Hernandez, Director, Department of Public Health; Brian Cahill, General Manager, Department of Social Services; Teresa Serata, Mayor's Office; David Ishida, Executive Director, Commission on Aging; Edwin Lee, Director, Human Rights Commission; Sonia Melara, Executive Director, Commission on the Status of Women; Lawana Preston, Local 790; Jennie Chin Hansen, On Lok Senior Service Agency; Mark Moser, Executive Director, Committee on Jobs.

ACTION: Hearing held. Consideration continued to the Call of the Chair.

TIME MEETING ADJOURNED: 3:45 p.m.

VOTE ON ALL ITEMS WAS 3 - 0 (all members present).

11
24/95
BOARD OF SUPERVISORS**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

September 15, 1995

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: September 20, 1995 Budget Committee Meeting

DOCUMENTS DEPT.

SEP 19 1995

SAN FRANCISCO
PUBLIC LIBRARYItem 1 - File 115-95-6**Department:** Department of City Planning (DCP)**Item:** Ordinance amending Article 3.5A of the San Francisco Municipal Code (City Planning Code) by amending Section 358 to institute a surcharge to cover increased labor costs incurred for FY 1995-96.**Description:** The proposed ordinance would amend Section 358 of the City Planning Code by imposing a 4.7 percent surcharge on all fees charged by the DCP for its zoning and environmental review activities. The purpose of the 4.7 percent surcharge is to recover the increased labor costs incurred by the DCP as a result of new labor agreements reached between the City and County of San Francisco and its employees.

The DCP collects more than 60 types of fees, specified in Article 3.5A of the Planning Code, for a variety of services, applications, reports, and permits which are required in accordance with the Department's planning, zoning, and environmental review responsibilities. The fees range in amount from \$17 for an annual subscription to the weekly Planning Commission Agendas to \$9,492 or more for the preparation of an Institutional Master Plan which provides detailed information on a planned institutional development project and the surrounding community. Many of the fees

vary depending upon the total construction cost of a project. The fees are designed to allow the DCP to recover the costs associated with conducting its planning, zoning, and environmental review activities. A Schedule of Application Fees provided by the DCP, detailing the Department's current fees and surcharges, is included as Attachment 1 to this report. The proposed ordinance would increase the fees detailed on Attachment 1 by imposing a 4.7 percent surcharge.

The proposed 4.7 percent surcharge is designed to cover increased salaries and fringe benefits resulting from labor agreements reached in 1995 with the International Union of Professional and Technical Engineers (Local 21), and the Service Employees International Union (Local 790).

The proposed ordinance would become effective 30 days after approval by the Mayor and would retroactively apply to all applications filed on or after July 1, 1995 that are still under review by the DCP. Fees from applications that have already been reviewed by the DCP prior to the effective date of the proposed ordinance will not be subject to the 4.7 surcharge. Unless otherwise amended by the Board of Supervisors, the 4.7 percent surcharge would expire on December 31, 1995 (see Comment No. 4).

The proposed 4.7 percent surcharge is intended to serve as an interim measure which will allow the DCP to recoup its costs until a broader proposal overhauling the DCP's fee structure is presented to the Board of Supervisors for approval later this year (see Comment No. 4).

Comments:

1. According to Mr. Alec Bash of the DCP, the Department's fees, excluding all surcharges, generated actual revenues in the amount of \$3,438,000 in FY 1994-95. DCP's FY 1995-96 budget, as adopted by the Board of Supervisors, projected fee revenues in the amount of \$3,505,650, or \$67,650 more than the actual FY 1994-95 revenues.

The DCP estimates that if the proposed ordinance is implemented on November 1, 1995 and is effective through December 31, 1995, it would generate an additional \$41,191 in revenues in FY 1995-96. This estimate assumes the DCP will collect \$27,461 in surcharge revenues from fees on applications filed with the DCP between November 1, 1995 and December 31, 1995. It also assumes that the DCP will collect an additional \$13,730 in surcharge revenues, due retroactively to the DCP, from fees on applications filed on or after July 1, 1995 that are still under DCP review when the

proposed ordinance is implemented. Fees from applications that have been reviewed by the DCP prior to the estimated November 1, 1995 implementation date will not be subject to the proposed 4.7 surcharge and thus will not generate additional revenues.

In summary, the proposed ordinance would generate a projected \$41,191 in surcharge revenues from fees on applications that are (1) filed on or after July 1, 1995 and still under DCP review as of the effective date of the ordinance, and (2) filed after the effective date of the ordinance and before its December 31, 1995 expiration date. The purpose of the proposed surcharge is to cover increased salaries and fringe benefits resulting from new labor agreements reached between the City and County of San Francisco and its employees.

2. According to Mr. Bash, DCP's FY 1995-96 budget, as adopted by the Board of Supervisors, includes the added labor costs associated with the above-noted labor agreements. Mr. Bash states that the DCP budget contains increased salary savings to offset these added labor costs. However, Mr. Bash advises that the DCP cannot realistically achieve the added salary savings without negatively effecting service to the public including backlogs in application processing.

The proposed 4.7 percent surcharge would allow the DCP to fill positions that would otherwise have to be held vacant to achieve the salary savings in the FY 1995-96 budget. The DCP intends to submit a supplemental appropriation request to the Board of Supervisors at a later date in order that sufficient salary funds are appropriated to the DCP. The source of funds for such additional salaries would be the proposed 4.7 percent surcharge, according to Mr. Bash.

3. A memo from Ms. Martha Kessler of the DCP detailing the 4.7 percent increase in labor costs at the DCP which have required the proposed 4.7 surcharge on fees is included as Attachment 2 to this report.

4. Article 3.5A of the City Planning Code, which provides the existing fee schedule for DCP services and which would be amended by the proposed ordinance, is scheduled to expire December 31, 1995. Consequently, the proposed 4.7 percent surcharge on the existing fees shown on Attachment 1 would also expire on December 31, 1995, unless otherwise amended by the Board of Supervisors.

Mr. Bash reports that the DCP intends to present a proposal to the Board of Supervisors later this year that would restructure the DCP fees and modify those fees that do not reflect current costs. The proposed 4.7 percent surcharge on DCP fees would serve as an interim revenue source which would allow the DCP to recoup its costs until more permanent changes in the DCP fee structure are approved, according to Mr. Bash.

5. Mr. Bash states that the users of DCP services who filed applications with the DCP on or after July 1, 1995 were informed of the potential 4.7 percent surcharge.

6. According to Mr. Bash, if the proposed surcharge is not approved, the Department will not have sufficient funds to hire an additional staffperson and expects that some backlogs in permit processing may occur during the next several months.

7. In the professional judgment of the Budget Analyst, the proposed ordinance to impose an additional 4.7 percent surcharge should not be approved at this time. This ordinance should not be approved due to the following reasons: (a) The DCP's additional labor costs were included in the Department's FY 1995-96 budget. However, the DCP did not indicate at the time of the Board of Supervisors' budget review, less than three months ago, that additional fees or surcharges were needed to cover such increased costs. In fact, the Budget Analyst was told during the budget review that the Department could live with the increased level of salary savings. (b) The Board of Supervisors approved a major change to DCP fees and surcharges in May, 1995, only four months ago. (c) The DCP is proposing another major change in permit fees during the next few months, since the Department's permit fees are scheduled to expire on December 31, 1995. Given that the Department is proposing a major fee change during the next few months, and that the proposed temporary surcharge would only generate an estimated \$41,191, the Budget Analyst recommends that DCP incorporate the proposed 4.7 percent surcharge in the subsequent fee changes instead of imposing a separate surcharge at this time. Imposing a separate surcharge at this time seems unnecessarily duplicative and confusing for the public.

Recommendation: Table the proposed ordinance.



PLANNING DEPARTMENT

City and County of San Francisco 1660 Mission Street San Francisco, CA 94103-2414

(415) 558-6378

PLANNING COMMISSION
FAX: 558-6409

ADMINISTRATION
FAX: 558-6426

CURRENT PLANNING/ZONING
FAX: 558-6409

LONG RANGE PLANNING
FAX: 858-6426

SCHEDULE OF APPLICATION FEES

Effective July 1, 1995

NOTE: Pending legislation would add a surcharge of between 4% - 5% to these fees.

1. PERMIT APPLICATIONS ⁵

- a. Building permit review ^{1, 2, 4} NOTE: window & door replacement applications approved at the Construction Service Center shall be charged 1/2 fee.

Construction Cost

	\$1 -	\$500
\$501 -	\$999	
\$1,000 -	\$1,999	
\$2,000 -	\$4,999	
\$5,000 -	\$9,999	
\$10,000 -	\$199,999	
\$200,000 -	\$4,999,999	
\$5,000,000 -	\$9,999,999	
\$10,000,000 or more		

No construction cost

- b. Site permit w/ >\$350,000 cost or >1 addendum
c. Revision recheck ^{1, 2}
d. Interim Control review ^{1, 2}
e. Building permit in C-3 District ^{1, 2}
f. New/alteration exceeding 40' ^{1, 2}
g. Fire, Police and Health Permit Fees ¹
i. Sign ¹
j. Demolition requiring Landmarks Board review ^{1, 2}
k. Other demolition applications ^{1, 2}

	Fee
\$102	
\$ 90 + .10 over	\$500 + 13%
\$140 + .06 over	\$1,000 + 13%
\$200 + .03 over	\$2,000 + 13%
\$290 + .01 over	\$5,000 + 13%
\$340 + .002 over	\$10,000 + 13%
\$720 + .0017 over	\$200,000 + 13%
\$8,870 + .0015 over	\$5,000,000 + 13%
\$16,370 + .0014 over	\$10,000,000 + 13%
\$215 + (T/M * 13%) ¹⁴	Planning Code: § 355(a)
\$330 in addition to regular fee	P.C. § 355(a)(7)
\$80/hr. ¹⁴	Planning Code § 355(a)(2)
\$311	Planning Code § 355(a)(6)
\$226 in addition to above P.C. § 355(a)(4)	
\$226 in addition to above P.C. § 355(a)(5)	
\$51 + (T/M * 13%) after 1 hr. ¹⁴	P.C. § 355(c)
\$102	Planning Code § 355(d)
\$322 + (T/M * 13%) after 4 hrs. ¹⁴	P.C. § 355(a)(3)
\$400	P.C. § 355(b)

2. DOWNTOWN APPLICATIONS ⁵

- a. Application for exception ¹
b. Section 309 review ¹
c. Section 321 (Beauty Contest) Review ¹
d. TDR and Article 11 review

- designation or change of designation of a significant or contributory building ¹
- designation or change of boundary of a conservation district ¹
- alteration of a contributory building outside a conservation district from which no TDR has been transferred and no permit per Sections 1111 - 1111.6 has been issued ¹
- e. - Demo. of significant or contributory bldg. ¹
- Demo. of a contributory building outside (or Category V building inside) a conservation district from which no TDR has been transferred

Fee
1/2 fee schedule for Cond. use P.C. § 353(a)
Conditional Use fee schedule P.C. § 353(b)
\$16,950 Planning Code § 353(c)

\$757 Planning Code § 353(d)(1)

\$757 Planning Code § 353(d)(2)

\$28 Planning Code § 353(d)(4)

\$757 Planning Code § 353(d)(5)

No fee Planning Code § 353(d)(5)

\$565 Planning Code § 353(d)(6)

\$283 Planning Code § 353(d)(7)

\$565 Planning Code § 353(d)(8)

no fee if deemed minor. If not minor, same as Certificate of Appropriateness schedule (see 3c, below).¹ Planning Code § 353(d)(3)

3. PRESERVATION APPLICATIONS ⁵

- a. Landmarks ¹
b. Historic District ¹
c. Certificate of Appropriateness ¹

Construction Cost

\$0 to \$999
\$1,000 to \$9,999
\$10,000 or more

Fee
\$283 Planning Code § 356(a)
\$1,130 + T/M * 13% Planning Code § 356(b)
dependent on construction cost P.C. § 356(c)
\$226
\$452
Conditional Use fee schedule
Conditional Use fee P.C. § 356(d)

- d. Determination of compatibility

4. SUBDIVISION APPLICATIONS ⁵

- Subdivision Code § 1315
- Land Subdivision
 - New Condominiums
 - Condominium Conversions

Number of Units/Fees

2-4	5-9	10-19	20-49	50-99	100+
\$300	\$ 590	\$1,165	\$1,790	\$2,650	\$3,125
165	275	440	660	1,100	2,200
825	1,375	2,200	4,070	4,400	6,600

5. ENVIRONMENTAL APPLICATIONS ⁵

- Initial Study (environmental evaluation) and Environmental Impact Report (EIR) ¹
- EIR Amendment w/construction cost <\$200,000 ¹
- EIR Supplement ¹
- Subsequent EIR
- Neg. Dec. reevaluation
- Certificate of Exemption (environ. review) ¹
- Letter of Exemption (environmental review) ¹
- Appeal of Environmental Determinations ¹
- Sale of environmental documents ¹
- Monitoring environ. mitigation measures ^{1, 2}
- Computer Shadow Analysis of Prop. K Review ¹

Fee

See #7 k. below

1/3 EIR fee + 4.5% + (T/M + 4.5%) ^{3b} Admin. Code § 31.46A(a) (5)
 1/2 EIR fee + 4.5% + (T/M + 4.5%) ^{3b} Admin. Code § 31.46A(a) (6)
 2/3 EIR fee + 13% + (T/M + 13%) ^{3b} Admin. Code § 31.46A(a) (7)
 \$1,074 + (T/M + 13%) ^{3b} Admin. Code § 31.46A(a) (8)
 \$157 + (T/M + 4.5%) ^{3b} Admin. Code § 31.46A(a) (9)
 \$78 Admin. Code § 31.46A(a) (10)
 \$209 + (T/M + 4.5%) Admin. Code § 31.46A(a) (3)
 cost + 4.5% Administrative Code § 31.46A(a) (4)
 T/M + 13% ^{3a} Administrative Code § 31.46A(a) (12)
 \$5,225 + (T/M + 4.5%) ^{3b} Admin. Code § 31.46A(a) (11)

6. ADMINISTRATIVE SERVICE FEES ⁵

- Monitoring approved Section 149, 163, 164, 165 and 321 Projects ¹
- Monitoring approved Conditional Use, Variance and Section 309 projects ^{1, 2}
- Zoning certifications ¹
 - single family residence
 - other uses
- Sale of documents
- Photocopies
- Certification of Copies ¹
- Information, analysis, report preparation research services, data requests, site inspections & presentations ¹
- Notices of Special Restrictions ¹
- Late charge on fees ¹
- Planning Commission agenda subscription ¹
- Project review (policy/code/interpretation) ¹
- Project notification ¹
- Written determination by Zoning Administrator ¹
- Transportation review ¹
 - initial assessment
 - transportation study
- Review of temporary use permits P.C. § 352(j)
- Service Station Conversion Determination

Fee

\$5,650 Planning Code § 351(f)(1)
 \$160 + (T/M + 13%) after 2 hrs. ³¹ P. C. § 361(b)
 \$57 Planning Code § 351(l)(k)
 \$80 minimum, plus \$80 per hour after first hour ^{3a}; P. C. § 351(l)(2)
 \$.01/page or \$.10/page if photocopied Ord. #265-93
 \$0.10 per sheet Admin. Code § 8.28.
 \$28 per document Planning Code § 351(b)
 \$36 minimum, plus (T/M) + 13% ^{3a} P.C. § 351(d)
 \$80 Planning Code § 351(g)
 1% of balance + 10%/mo. + (T/M + 10%) P. C. § 351(e)
 \$17 per year Planning Code § 351(a)
 \$160 + (T/M + 13%) after 2 hrs. ^{3a} P. C. § 351(h)
 (\$25 per Assessor's Block + \$10 per each additional block) + 13% Planning Code § 351(i)
 \$71 per hr. + 13% ^{3a} P. C. § 351(j)
 \$160 Planning Code § 357(a)
 \$6,418 + (T/M + 13%) ^{3b} Planning Code § 357(b)
 \$80 + (T/M + 13%) to \$1,000 per budget thereafter
 \$678 + (T/M + 13%) ^{3b}

7. COMMISSION AND VARIANCE HEARING APPLICATIONS AND ENVIRONMENTAL STUDIES ⁵

- NCD use legalizations per P. C. § 179 ¹
 - building permit
 - conditional use
- Hazardous waste facility review ¹
- Discretionary Review request ¹
- Determine Compatibility per § 242(e)(6)(B) ¹
- Text amendment request
- Reclassifications ^{1, 4} (incl. interim controls)
- Setback change (create, modify or delete) ¹
- Institutional Master Plan ¹
 - full
 - abbreviated
- Master Plan referral ¹
- Master Plan amendment and related plans ¹
- Conditional Use ^{1, 4} (including PUD), Variance ^{1, 4}, Coastal Zone permit ¹, Environmental Evaluation ¹ and Environmental Impact Report ¹

Fee

\$1,746 + usual permit fees P. C. § 352(f)(1)
 \$1,113 + usual CU fee Planning Code § 352(f)(2)
 T/M + 13% Planning Code § 352(k)
 \$141 Planning Code § 352(b)
 \$141 Planning Code § 352(m)
 \$3,390 + (T/M + 13%) ^{3b} Planning Code § 352(l)
 (\$3,000/one blk. + \$600/each additional blk.) + 13% + (T/M + 13%) to 2 times fee Planning Code § 352(h)
 \$1,695/block frontage or portion P. C. § 352(i)
 \$9,492 + (T/M + 13%) after 100 hrs. ^{3b} P.C. § 352(c)(1)
 \$949 + (T/M + 13%) after 10 hrs. ^{3b} P.C. § 352(c)(2)
 \$242 + (T/M + 13%) after 3 hrs. ^{3b} P.C. § 352(e)
 Fee based on estimated costs Planning Code § 352(d)
 Dependent on construction cost. (Use appropriate worksheet from the following pages.) Some applications are subject to addition of T/M as indicated.
 P. C. § 352(a), Administrative Code § 31.46A

FOOTNOTES

- ¹ A surcharge of 4.5% to cover costs of acquiring office space and 8.5% to develop the Department of City Planning's computerization system applies to these applications. (Planning Code § 358, Administrative Code § 10F.1 and 31.46A(d)). Only a 4.5% surcharge applies to those fees with the footnote, "1a". Specific amounts listed with these superscripts include the surcharge. Fees expressed as a formula show the surcharge as a part of the formula.
- ² Fees collected for the Department of City Planning by other departments
- ³ T/M means the applicant will be billed for time and materials (plus surcharge) expended beyond that covered by the initial fee, if any, or beyond the number of staff hours stated. Certain applications with time and material charges have limits to the total fee that can be charged without providing an estimate of cost. These are identified by the following footnotes: 3a = \$1,000; 3b = two times the initial fee; 3c = \$1,500; 3d = five times the initial fee; 3e = T/M estimate after 4 hours; Some fees have an absolute limit with no provision for an estimate; they are: 3f = not exceeding original fee; 3g = not exceeding 3 times original fee.
- ⁴ In cases where a verified code violation is associated with a delinquent incomplete application, a charge to cover time and materials (plus 13%)^{3d} involved in making the application complete shall be assessed. [P.C. §352(a)(1)].
- ⁵ Any request to expedite staff work requiring an overtime effort is subject to an additional 50% above the normal fee [P.C. § 351(1)]. Some fees collectable from non-profit organizations developing affordable housing may be deferred. [P.C. §350(d)(1)].

NOTE: Other agencies may charge and collect fees for the same projects as charged and collected by the Department of City Planning. The Bureau of Building Inspection collects fees for permit application review and permit issuance. The Health Department and Police Departments collect fees for the licenses they issue after review by the Planning Department. The Board of Supervisors and the Board of Permit Appeals collect a fee for appeals of conditional uses and variances. These fees are not controlled by the Planning Department. The Board of Supervisor's conditional use appeal fee is currently \$275.00 and the Board of Permit Appeals fee for a City Planning appeal is currently \$400.00 but both are subject to independent change.

7/28/95

June 13, 1995

TO: Alec Bash
 FROM: Martha Kessler *MK*
 RE: Estimate of Increased Labor Costs for Fee Surcharge

A. Fringe Benefits Increase

The Revised Budget FY 94-95 shows 21.30% fringe benefits, as compared to 26.38% for FY 95-96. Thus, the base adjustment is +5.08%. (These figures do not show any increases for MEA). However, on May 30, 1995 subsequent to the Phase C, the Retirement Board adopted a lower rate for retirement for FY 95-96. Adjustment for the new rate is -.41%.

The adjusted increased fringe benefits is +4.67%

B. Salary Increase

For FY95-96, Local 21 members receive annualized a 1.17% salary increase.
 For FY95-96 Local 790 members receive annualized a 1.5% salary increase.
 We do not have figures for MEA.

Total Salaries Local 21 (General Fund)	\$2,356,204	Increase (1.17%)	\$27,249
Total Salaries Local 790 (General Fund)	\$548,040	Increase (1.5%)	\$ 8,099
Total Salaries MEA (General Fund)	\$266,186	No increase	

(Total Salaries pre-increase General Fund=\$3,135,082)

Increase of \$35,348 as % of \$3,135,082=1.13%.

C. Increased Costs Salary and Fringe Benefits

According to the above, the Department will experience increased labor costs of 5.8% (excluding MEA).

D. Adjustment for non-Labor Component of Department Costs

Since full cost recovery includes non-labor as well as labor costs, it would overstate the increased cost if an adjustment was not made for non-salary costs. According to Phase C of the Budget, non-labor costs constitute 18.8% of the General Fund Budget.

Therefore I would recommend that the proportion of non-labor costs be subtracted from the increase in labor costs. Thus, the surcharge for increased labor costs would be 4.7% (5.8% times .812).

cc: Milton R. Edelin

Items 2, 3, 4 and 5 - Files 97-95-41, 97-95-42, 97-95-43, and 97-95-44

Department: Department of Agriculture and Weights and Measures

Item: **File 97-95-41** Ordinance amending Administrative Code by amending Section 1.10 to increase fees charged by the County Agricultural Commissioner for the inspection and certification of agricultural products.

File 97-95-42 Ordinance amending Administrative Code by adding Section 1.10-1 to impose a new fee for the issuance, modification, verification or renewal of any certificate for any certified Farmer's Market operating within the City and County of San Francisco.

File 97-95-43 Ordinance amending Administrative Code by adding Section 1.10-2 to authorize the County Agricultural Commissioner to impose new fees for off-hours inspection and/or reinspection of quarantine shipments.

File 97-95-44 Ordinance amending Administrative Code by adding Section 1.10-3 to authorize the County Agricultural Commission to impose new fees for the inspection of salad products processors operating in the City and County of San Francisco.

Description: The proposed ordinances would approve increased fees for the inspection and certification of all shipments of agricultural products shipped from San Francisco and impose new fees for each instance of certain types of inspections and certifications which are performed by the Agricultural Commissioner as shown as follows:

Existing Fees

<u>Type of Fee</u>	<u>Existing 94-95 Rate</u>	<u>Proposed 95-96 Rate</u>
Inspect & Certify Agricultural Products for Shipping		
1 to 100 packages	\$15.00	\$20.00
101 to 200 packages	20.00	25.00
201 to 500 packages	25.00	30.00
501 to 1,000 packages	25.00	30.00 plus 1¢ per pkg. over 500
Over 1,000 packages	30.00	35.00 plus .5¢ per pkg. over 1,000
Certificate of Fumigation	25.00	25.00
Minimum fee for any 1 certificate	15.00	20.00

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New Fees

<u>Type of Fee</u>	<u>Proposed 95-96 Rate</u>
Farmers Market cert. (issuance, modification, renewal)	\$500.00
Quarantine Shipment Inspection	
a) Inspections outside regular business hours	\$135.00 plus \$45/hr. or fraction of an hour over 3 hrs., plus 30¢ per mile for travel
b) Inspection of shipments requiring special handling	\$35.00 per hour, plus 30¢ per mile for travel
Salad Processor Inspection*	4.5¢ per 20 pound carton, or .00225¢ per pound

* "Salad processors" are wholesale vegetable vendors packaging mixed greens and other salad products for sale.

Comments:

1. Mr. Dave Frieders, County Agricultural Commissioner and Director of the Department of Agriculture and Weights and Measures, notes that the proposed increased and new fees are designed to fully recover the Department's actual costs for inspection and certification of agricultural products. The new Farmer's Market certificate fee and the new fee for inspection of quarantine shipments are needed in order to recover costs for overtime incurred in conducting these activities, which often must be conducted outside of normal business hours, according to Mr. Frieders. Mr. Frieders notes that the Department has not previously inspected salad processors.

2. Inspection and certification fees charged by the Department generated total revenues of \$564,600 in FY 1994-95, and are projected to generate total revenues of \$628,650 in FY 1995-96, or an increase of \$64,050. Mr. Frieders reports that the new and increased fees specified in the proposed ordinances are projected to generate a total of \$5,700 of the projected \$64,050 increase. The remaining increased revenue amount of \$58,350 would be generated by the estimated increase in the number of weighing and measuring devices which will be inspected by the Department.

3. The Department of Agricultural Weights and Measures' FY 1995-96 budget, as approved by the Board of Supervisors, was based on the fees and rates detailed in this report.

4. As specified in the proposed ordinances, if approved by the Board of Supervisors, the fees detailed above will be effective as of October 1, 1995.

Recommendation: Approve the proposed ordinances.

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Item 6 - File 127-95-11

Item: Ordinance amending Part III of the San Francisco Municipal Code by amending Section 802A of Article II to extend the duration of the Temporary Stadium Admission Tax through the season of the year 2000 for professional football and baseball games and through June 30, 2000 for other events.

Description: A Temporary Stadium Admission Surtax was adopted in 1991 to finance high school and middle school athletics for a one year period (July 1, 1991 through June 30, 1992) in the San Francisco Unified School District (School District). This Temporary Admission Tax included a surtax of \$0.25 on all tickets priced at less than \$27, and a surtax of \$0.75 on all tickets priced at \$27 or more. This resulted in a \$0.25 surtax on most Giants tickets (with the exception of approximately 275 seats per game which are sold at \$40 per ticket) and a \$0.75 surtax on all 49ers tickets. The Temporary Admission Surtax has since been extended by the Board of Supervisors through the 1995 baseball and football seasons.

The proposed ordinance would extend the existing Temporary Admission Surtax, for five additional years, through the year 2000 for both the baseball and football seasons, and through June 30, 2000 for other stadium events, at the same tax rates.

The Surtax applies to stadiums with more than 5,000 seats. Mr. Louis Lui of the Tax Collector's Office states that there is only one such facility in San Francisco: 3Com Park. (Ms. Garnett Franklin of the Recreation and Park Department advises that, while Kezar Stadium has 9,700 seats, Recreation and Park Commission policy limits ticket sales to a maximum of 5,000 because inadequate parking is available.) Mr. Lui reports that, although most of the Surtax revenues are generated at Giants and 49ers games, all events held at 3Com Park are subject to the Surtax, unless they are sponsored by a non-profit or public agency such as a school or charity.

The proposed ordinance would also add a statement to clarify the collection of the Temporary Stadium Admission Surtax collected from occasional athletic contests or other special events held in San Francisco stadiums. The statement provides that the surtax collected at such events be remitted to the City according to the provisions of Subsection (c) of Section 804 of the Municipal Code, which establishes that the Surtax is due the City within five days after the completion of the scheduled event.

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Comments:

1. The Temporary Stadium Admission Surtax is not a special tax and all revenues generated by this Surtax are deposited into the City's General Fund. However, it is anticipated that, if the proposed legislation is approved, which would extend this Surtax for five additional years, the Mayor and the Board of Supervisors would then appropriate these funds for use by the San Francisco Unified School District to carry out its sports programs for the middle and high schools.

2. According to Mr. Ernest Culver of the Controller's Office, the City has contributed \$1,056,000 to the School District in each of the past three years. However, Mr. Culver notes that in the past two years the City has not generated the full \$1,056,000 to finance the contribution to the School District from the Temporary Stadium Admission Surtax (\$0.25 surtax on tickets priced under \$27 and \$0.75 surtax on tickets priced at \$27 or higher), largely because the baseball strike reduced ticket sales at Giants games. Mr. Culver provided the following information on the Temporary Stadium Admission Surtax actual revenues received and transfers to the School District:

	<u>FY 1992-93</u>	<u>FY 1993-94</u>	<u>FY 1994-95</u>
Actual Revenues Received by City	\$1,114,645	\$879,045	\$725,892
Transfer to School District	<u>1,056,000</u>	<u>1,056,000</u>	<u>1,056,000</u>
Additional Revenues (Loss) to City	\$58,645	(\$176,955)*	(\$330,108)*

* Funded from the City's General Fund.

Mr. Culver reports that any shortfall of Temporary Stadium Admission Surtax revenues is made up with General Fund revenues, to contribute a total of \$1,056,000 to the School District for high school and middle school athletics. Mr. Culver advises that the Controller's Office has budgeted Temporary Stadium Admission Surtax revenues of approximately \$727,000 for FY 1995-96, so that a General Fund expenditure of \$329,000 is anticipated in order to make a \$1,056,000 contribution to the School District.

3. According to Mr. Robert Golton of the San Francisco Unified School District, the School District's middle and high school athletic programs are budgeted to cost a total of approximately \$1,144,000 in FY 1995-96. This annual cost represents approximately \$88,000 more than the \$1,056,000 that the City has included in the FY 1995-96 budget for a contribution to the School District, consisting of a projected \$727,000 from the Temporary Stadium Admission Tax and \$329,000 from the General Fund. The School District will be responsible for funding the \$88,000 balance (total estimated cost of \$1,144,000

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less total City contribution of \$1,056,000) needed by the middle and high school athletic programs for FY 1995-96.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

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Item 7 - File 101-95-17

Department: Department of Social Services

Item: Ordinance appropriating \$152,640 of Federal funds for the Public Authority for In-Home Supportive Services at the Department of Social Services.

Amount: \$152,640

Source of Funds: U.S. Department of Health and Human Services

Description: The In-Home Supportive Services Program (IHSS) is an entitlement program which provides funding for low-income seniors and disabled persons to receive non-medical personal care (i.e. daily hygiene) and other household help (i.e. cooking, cleaning, laundry) in their homes from visiting workers. IHSS care can allow seniors and disabled people to remain in their own homes and thereby avoid unnecessary and expensive hospitalization or institutionalization.

In May, 1995, the Board of Supervisors approved File 97-95-20 (Ordinance No. 185-95), which established a new entity entitled the In-Home Supportive Services Public Authority (Public Authority). The Public Authority is a legally separate and distinct entity from the City, which performs certain functions with respect to the In-Home Supportive Services Program (IHSS). The functions of the Public Authority include:

- a) Serving as the "employer of records" for IHSS workers for the purposes of collective bargaining and establishing wages, benefits and working conditions.
- b) Establishing a Central Registry which would assist IHSS clients by providing an orientation to the program, screening IHSS workers, and listing information about workers, including their qualifications, language skills, and availability. The Central Registry would also assist IHSS workers by providing information about job availability and helping IHSS workers to piece together full time employment from disparate job sites.
- c) Providing training, advocacy, and other support services to IHSS workers and clients.

Budget: The operating costs of the Public Authority will be paid for by a combination of City, State, and Federal funds. The Public Authority's total budget amount for FY 1995-96 is \$424,000,

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which includes \$215,000 in General Fund monies previously approved in the FY 1995-96 budget for DSS, \$56,360* in one-time State grant funds that were also previously approved in the FY 1995-96 DSS budget, and \$152,640 in Federal funds, which is the subject of this report. The Attachment provided by the DSS shows the Public Authority's FY 1995-96 budget, in the amount of \$424,000, and the related funding sources.

* The DSS reports that a total of \$200,000 is available in one-time State funds. Of the available \$200,000, \$56,360 will be used during FY 1995-96, while the remaining balance of the one-time State funds, in the amount of \$143,640, are to be used over the next several fiscal years.

Comments:

1. Ms. Julie Murray Brenman of the DSS, states that it would be possible for the DSS to expend the entire one-time State grant, in the amount of \$200,000, during FY 1995-96, thereby reducing the General Fund FY 1995-96 expenditure by \$143,640 from \$215,000 to \$71,360. However, the DSS FY 1995-96 budget approved by the Mayor and the Board of Supervisors provides \$215,000 in General Fund support for the Public Authority. Due to the uncertainty of State funding in future fiscal years, a decision to expend the full State grant amount in FY 1995-96 would, according to Ms. Brenman, necessitate a commensurate increase in General Fund support for the Public Authority in the following two to four fiscal years. Ms. Brenman advises that using the one-time State grant funds over several fiscal years will permit a more stable level of expenditure from the General Fund for the Public Authority.

2. The DSS reports that the U.S. Department of Health and Human Services just recently notified the DSS of the availability of Federal funds. As such, the proposed Federal funds, in the amount of \$152,640, were not included in the DSS's FY 1995-96 budget.

Recommendation: Approve the proposed supplemental appropriation request.

Public Authority
First Year Budget
1995-96

Attachment

Expenditure Item	1st Year Budget	Comment
Ongoing Costs		
Personnel		
Executive Director	54,500	Start 9/1 (annual salary = 66,000)
Administrative Assistant	22,100	Start 9/15 (annual salary = 28,000)
Program Manager	30,876	Start 9/15 (annual salary = 39,000)
Placement Coordinator	19,804	Start 10/15 (annual salary = 28,000)
Placement Coordinator	19,804	Start 10/15 (annual salary = 28,000)
Paraprofessional	15,625	Start 11/15 (annual salary = 25,000)
Benefits @ 25%	40,677	25% of salary
Professional Services		
Bookkeeping Service	6,280	Includes payroll of Public Authority Staff, Grant Management
Computer Services	6,000	Consultant to trouble-shoot & help interface systems
Legal Counsel	30,000	Counsel to PA on labor & liability issues, etc.
Audit	8,000	PA will be required to document its rate to state & federal govt.
Operating Expenses		
Rent & Utilities	11,875	Start 9/15; expected at \$1/sf
Equipment Maintenance	1,500	Start 10/1 - routine maintenance of office equipment
Telephone	3,958	Start 9/15 (6 lines for staff, one fax, 2 modems, 1 for volunteers)
Supplies/Printing	2,000	Routine business supplies/agendas/notices, etc.
Postage/Advertising	5,000	Routine notification of meetings, opportunities for training, etc.
Insurance	15,000	Premium to buy \$1 million insurance (covers board liability, general liability & workers comp; City will be add'l insured)
Training	5,000	Begin training for workers & consumers
Travel	2,000	State meetings in Sacramento and other meetings
Reasonable Accommodation	2,000	Translation equip't, transportation, attendant services, etc.
Subtotal Year One Ongoing Costs	302,000	
One Time/Start-up Costs		
Computers (6)	9,000	Purchase of equipment
Laptop (1)	2,000	Purchase of equipment
Printers (2)	3,000	Purchase of equipment
Management Info Sys/Software	20,000	Development & installation of a Central Registry
Copier & Fax	15,000	Purchase of equipment
Office Furniture	3,000	Purchase of equipment
Legal Counsel	20,000	Prepare MOU with City, other agencies; Create by-laws, etc.
Planning/Eval Consultant -Referral	8,000	Design of performance goals, measurable outcomes, etc.
Reasonable Accommodation	10,000	Signage, modifications to make office fully accessible
Rental Deposit	2,500	Deposit on office rental
Telephone Equip/Installation	1,500	Installation of Equipment
Fund Development	10,000	For leveraging grant, foundation monies for the PA
Printing	6,000	New stationery, business cards, brochures, etc.
Advertising	1,500	Advertising of new entity
Startup Outreach/Intake/Orientation		
Workers	3,000	Informing workers about the Public Authority
Consumers	3,000	Informing consumers about the Public Authority
Related Postage & Printing	4,500	Sending out information
SubTotal One Time Costs	122,000	
Total 1st year Budget	424,000	
RESOURCES:		
General Fund	215,000	Already budgeted
One-time State Funds	56,360	Already budgeted in a project account
Federal Revenue	152,640	Requested in this supplemental
	424,000	

Item 8 - File 101-95-18

Department: Department of Social Services (DSS)

Item: Ordinance appropriating \$1,216,500 for the Department of Social Services from Federal, State and local revenues to fund Capital Improvement Projects (maintenance, repairs and alterations) at 170 Otis, 1440 Harrison and 1235 Mission in order to comply with the Americans with Disabilities (ADA) Act, for FY 1995-96.

Amount: \$1,216,500

Source of Funds: \$790,725 from State and Federal Social Services Administration.

\$425,775 from surplus Social Services Corporation bond funds associated with the construction of 170 Otis Street.

Description: The proposed supplemental appropriation would fund maintenance, repairs and alterations at three DSS buildings: (1) 170 Otis, which provides office space for DSS administrative staff, Adult Protective Services, Employment Training, Aid to Families with Dependent Children (AFDC) and collections staff; (2) 1440 Harrison Street, which provides office space for DSS Family and Children's Services staff; and (3) 1235 Mission Street, which provides office space for General Assistance (G.A.) and Food Stamp staff.

Ms. Julie Murray Brenman of the DSS states that most of the improvements are necessary to meet health and safety standards and to comply with the Americans with Disabilities Act (ADA). Additionally, Ms. Brenman advises that infrastructure alterations to 170 Otis Street are designed to permit a more efficient use of space at that building. The cost of the improvements is summarized in the following table:

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<u>Type of Alteration</u>	<u>Projected Cost</u>
ADA - 170 Otis Street	\$355,800
ADA - 1235 Mission Street	4,000
ADA - 1440 Harrison Street	<u>18,000</u>
Total ADA Alterations	\$377,800
Infrastructure Alterations - 170 Otis Street	120,500
Health and Safety - 170 Otis Street	382,000
Health and Safety - 1235 Mission Street	23,000
Health and Safety - 1440 Harrison Street	<u>73,000</u>
Total Health and Safety Alterations	478,000
Project Management/Permit/Design Costs	<u>240,200</u>
TOTAL COST	\$1,216,500

A detailed listing of specific improvements included in the proposed project, and the related costs, provided by DSS, is attached to this report. The Attachment also shows a breakdown of project management/permit/design costs. Ms. Brenman advises that cost estimates were prepared by the Department of Public Works (DPW).

Approximately 35 percent of the total \$1,216,500 cost, or \$425,775, would be funded by use of surplus funds from the Social Service Corporation, a non-profit corporation established by the City to manage the debt associated with the construction of 170 Otis Street in 1978. Mr. Brian Cahill, General Manager of the DSS, states that such surplus funds can legally be used only for projects that support 170 Otis Street. However, Mr. Cahill advises that the State and Federal governments will provide matching funds based on the City's contribution to overall building maintenance and capital expenditures, so the City's contribution to work at 170 Otis Street will leverage funds that can be spent at any of the three buildings included in the proposed project. As shown in the Attachment, State funds are expected to cover 28 percent of the total project cost, or \$340,620, and Federal funds are expected to cover the remaining 37 percent of the total project cost, or \$450,105. Ms. Brenman advises that these proportions are standard reimbursement rates for such facility maintenance work.

Ms. Brenman states that the DSS plans to use a combination of DSS engineering staff and DPW construction staff to carry out the proposed

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improvements. Ms. Brenman reports that the DSS does not plan to award any contracts in connection with these projects.

Comments:

1. DSS owns the building at 170 Otis Street, but leases the buildings at 1440 Harrison Street and 1235 Mission Street. Ms. Brenman states that, according to the terms of the City's leases at these two facilities, the City is responsible for all maintenance, repairs and alterations except those pertaining to the basic core and shell of the buildings. As detailed in the Attachment, the proposed alterations at 1440 Harrison Street and 1235 Mission Street pertain to signage, wheelchair access, security, plumbing, doors and carpeting, and therefore such costs must be borne by the City, according to Ms. Brenman.

2. Ms. Brenman reports that the proposed capital improvement projects do not include the City-owned DSS facility at 150 Otis Street. Ms. Brenman advises that, because of the extent of seismic problems at this building, the DSS expects to replace the building, either by demolishing the building and constructing a new facility on the same site, or by relocating to a new site. Separate future legislation regarding such a new facility will be submitted to the Board of Supervisors at a later date. Therefore, the DSS has made no requests to perform capital improvements at 150 Otis Street.

3. The Capital Improvement Advisory Committee (CIAC) recommends approval of this request.

Recommendation:

Approve the proposed supplemental appropriation request.

Alteration and Maintenance Schedule

31-Jul-95

Detail by Type		Amount	Fiscal Year 95/96	Claimed 96/97	97/98
<hr/>					
ADA Alterations					
Otis Restroom Remodel	A	180,000	60,000	60,000	60,000
Otis 1st Floor Waiting Rooms	A	125,000	41,667	41,667	41,667
Otis 1st Floor Interview Area	M	30,000	30,000		
Otis Signage	M	11,000	11,000		
Otis 1st Floor Auditorium Conversion	A	9,800	3,267	3,267	3,267
1235 Signage	M	4,000	4,000		
1440 Wheelchair Access	M	15,000	15,000		
1440 Signage	M	3,000	3,000		

Sub Total		377,800			
<hr/>					
Infrastructure Alterations					
Otis Full Height Office Partitions	A	80,000	26,667	26,667	26,667
Otis Drapery Replacement	M	35,000		35,000	
Otis "Squawk" Boxes	A	4,000	4,000		
Otis 1st Floor Door to Supply Room	A	1,500	500	500	500

Sub Total		120,500			
<hr/>					
Health and Safety Alterations					
Otis Tie Rods	M	90,000	90,000		
Otis Elevator cables and door closers	M	68,000	22,667	22,667	22,667
Otis Electrical	A	32,000	10,667	10,667	10,667
Otis Booster Pumps	M	27,000	27,000		
Otis Ventilation of Cafeteria	M	22,000	22,000		
Otis Plaza Leak Problem	M	20,000	20,000		
Otis Closed Circuit TV Network	M	20,000	20,000		
Otis Fire Alarm System	M	20,000	20,000		
Otis Heating System Valves and Seals	M	18,000	18,000		
Otis Fire Sprinkler Coverage for New Corridors	A	16,000	5,333	5,333	5,333
1235 Magnetic Doors	M	15,000	15,000		
Otis Fire Sprinklers at Print Shop & File Storage	A	11,000	3,667	3,667	3,667
Otis Computer Room Cooling System	M	10,000	10,000		
Otis Burglar Alarm	M	10,000	10,000		
1235 Security Cameras	M	8,000	8,000		
1440 Security Cameras	M	7,000	7,000		
Otis Light Management System	M	8,000	8,000		
2nd Floor Patio Door - Leak Repair	M	4,000	4,000		
Otis 6th Floor Deck Repair	M	3,000	3,000		
Otis Ventilation of Print Shop	M	3,000	3,000		
1440 Plumbing	M	15,000	15,000		
1440 Security Gate - 1st Floor Visitation	M	1,000	1,000		
1440 Carpeting Replacement	M	50,000	50,000		

Sub Total		478,000			
<hr/>					
Administrative/Building/Permit Costs					
Programming & Design	A	80,444	26,815	26,815	26,815
Construction Management	A	40,315	13,438	13,438	13,438
Construction Administration	A	32,252	10,751	10,751	10,751
Permits	A	24,189	8,063	8,063	8,063

Alteration and Maintenance Schedule

31-Jul-95

Detail by Type		Amount	Fiscal Year Claimed		
			95/96	96/97	97/98
Administrative/Building/Permit Costs	A	12,500	4,167	4,167	4,167
Subject Contingency	A	10,500	3,500	3,500	3,500
Architectural Work Interface	A	10,000	3,333	3,333	3,333
Mechanical Work Interface	A	10,000	3,333	3,333	3,333
Electrical Testing & Inspection	A	9,000	3,000	3,000	3,000
Mechanical Work Interface	A	6,000	2,000	2,000	2,000
Architectural Work Interface	A	5,000	1,667	1,667	1,667
		240,200			
APPROPRIATION GRAND TOTAL		1,216,500			
		Funding Summary			
Claim TOTAL	1.00	1,216,500	672,500	289,500	254,500
Claimed Amounts	Federal 0.37	450,105	248,825	107,115	94,165
	State 0.28	340,620	188,300	81,060	71,260
	Local 0.35	425,775	235,375	101,325	89,075

California State Controller's Office "Handbook of Cost Plan Procedures for California Counties" regulates the above items as follows:

Alterations are changes in the physical structure of the building which do NOT change the value of the asset. A project above \$25,000 must be claimed over a three year period.

Maintenance neither materially adds to the value nor prolongs the life of a facility beyond the original design. It may be fully expensed in the quarter expended.

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Memo to Budget Committee
September 20, 1995

Item 9 - File 100-95-12

This item is a hearing concerning the long-term budget impacts that Federal budgetary reductions will have on the budget of the City and County of San Francisco over the next seven to nine years.

The Controller and the Budget Analyst are in the process of preparing a written report to estimate the impacts which the Federal budgetary reductions will have on San Francisco. At this time, Mr. Harrington is prepared to orally advise the Committee regarding our findings to date and the Budget Analyst is also available to respond to questions.

Item 10 - File 100-95-7

1. This item is a hearing to consider the ways to increase efficiency and reduce costs in the City's human welfare and community health departments (Commission on the Aging, Human Rights Commission, Commission on the Status of Women, Department of Social Services, and the Department of Public Health, including Community Health Services, Laguna Honda Hospital, San Francisco General Hospital, and Community Mental Health Services).

2. The subject City departments provided the following information regarding actions taken as well as future plans for increasing departmental efficiencies and/or reducing departmental costs.

Commission on the Aging

Attached is a memo, prepared by Mr. David Ishida, Director of the Commission on the Aging, which outlines the actions and plans the Department is currently implementing to increase operational efficiencies in the Commission on the Aging. Mr. Ishida advises that he will be in attendance at the Budget Committee meeting on September 20, 1995 to answer any questions which the Committee might have regarding this subject matter.

Human Rights Commission

Mr. Edwin Lee, Director of the Human Rights Commission (HRC), reports that the HRC is seeking additional sources of revenue or grants to augment the HRC's reduced General Fund support. Mr. Lee advises that for FY 1995-96 the HRC has \$65,000 in grant support from the Mayor's Office of Housing to assist in the monitoring of the "Local Hiring" ordinance. Additionally, Mr. Lee reports that he has secured a contract in the net amount of \$50,000 from the Orange County Transportation Authority to provide the Authority technical support for their MBE/WBE program. Mr. Lee also reports that the HRC has received notification from the U. S. Department of Housing and Urban Development (HUD) that HRC can enter into negotiations with HUD to contract for an 18-month housing assistance program, at an estimated amount of \$151,000, using a community-based fair housing organization to assist with the delivery of program services. In addition, Mr. Lee advises that HRC's "HIV in the Workplace" training program, which has an annual budget of approximately \$64,000, is developing a fee schedule which will enable it to become self-sufficient within two years. Finally, Mr. Lee reports that HRC has begun to provide MBE/WBE directories in a computer disc format for a charge of \$15, saving significant costs in printing and postage. According to Mr. Lee, HRC will soon make the directory available on the Internet's World-Wide Web network, to further reduce printing and postage costs.

Commission on the Status of Women

Ms. Sonia Melara, Director of the Commission on the Status of Women, reports that the Department is currently working on a plan to institute fees and fines in connection with persons arrested for domestic violence. Ms. Melara states that any revenues generated from such fees and fines, the amounts of which have not yet been determined, could be used to support the Commission. Ms. Melara also reports that the Department is seeking Federal grant funds as well as private foundation funds in order to provide additional financial support to the Department and potentially reduce General Fund support to the Department. Ms. Melara advises that either she or a representative of the Commission on the Status of Women will be present at the Budget Committee meeting on September 20, 1995 to answer any questions which the Committee might have regarding this subject matter.

Department of Social Services

The Federal and State governments are currently reviewing numerous welfare reform proposals. Mr. Brian Cahill of the Department of Social Services (DSS) previously reported that, in general, the impact of such reform proposals would be an increase in the General Assistance (GA) caseload and reduced funding for existing programs.

As of the writing of this report, DSS had not identified potential areas in which efficiencies could be achieved in the short term in order to the offset the impending State and Federal welfare reforms. However, Ms. Sally Kipper of DSS has suggested the following means of achieving efficiencies in the GA Program over the long term:

- DSS is planning to merge the GA and Food Stamps Programs into one program over the next few years. While DSS believes that this process would create efficiencies in the GA Program, DSS is unable to estimate the amount of savings, if any, at this time.
- DSS plans to automate several processes within the Department. While DSS believes that some efficiencies could be created, this process would require several years and would involve significant capital costs.

Department of Public Health

Proposed Federal changes include reductions for Medicaid and Medicare funding which would affect San Francisco, as well as changing the Federal funding mechanism in order to provide funding to States in the form of block grants, as opposed to categorical grants, which may not include an entitlement status for Medicaid. In addition, the State has proposed an estimated \$2.5 million in reductions for health services in San Francisco. These reductions include the elimination of optional MediCal benefits, the elimination of MediCal reimbursements for selected drug treatment services, and tightened restrictions on MediCal reimbursements for hospital acute care.

Ms. Monique Zmuda of DPH advises that DPH has for several years worked to achieve increased efficiencies in operations and administration, and at the same time DPH has pursued a strategy for enhancing revenues. Ms. Zmuda advises that the savings resulting from many of DPH's operating efficiencies have been incorporated into the FY 1995-96 budget, although not all have been implemented.

As of the writing of this report, DPH is in the process of identifying areas in which further efficiencies can be achieved in the short term in order to offset the impending State and Federal cuts. Ms. Zmuda advises that although the State reductions are known at this time, the proposed Federal reductions are continuously changing. Ms. Zmuda advises that DPH will provide a status report of the potential impact of Federal cuts to the Budget Committee at the meeting of September 20, 1995. Ms. Zmuda advises that once the amount of Federal reductions is known, DPH will submit strategies for re-balancing DPH's FY 1995-96 budget to the Budget Committee. Ms. Zmuda advises that the following examples provide some of the strategies that DPH is pursuing in order to achieve operational efficiencies.

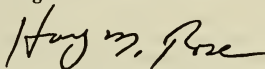
- A review of the status of the implementation of the Budget Analyst's prior Zero-Base Budget recommendations has been made. According to Ms. Zmuda, all of the Zero-Base Budget recommendations have either been implemented, and are reflected in the DPH FY 1995-96 budget, or alternative cost-saving measures have been identified to address the issues raised by the Budget Analyst.

Specifically, in response to such Zero-Base Budget recommendations, the DPH has reduced and consolidated numerous management positions over the past few years. The FY 1995-96 DPH budget reflects a net reduction of 12 administrative positions.

- San Francisco General Hospital is currently engaged in a three-year analysis of all cost centers and components of SFGH, in order to 1) ensure customer satisfaction, 2) improve access to the hospital, and 3) reduce costs in order to make SFGH more competitive in the managed care environment. Mr. Peter Praetz of SFGH advises that SFGH has a target cost reduction goal of approximately \$7 million in FY 1995-96, and will continue to pursue additional reductions during the remaining two-year period of the analysis. Mr. Praetz advises that the savings of approximately \$7 million anticipated to be realized in FY 1995-96 from this effort are included in SFGH's FY 1995-96 budget.

Memo to Budget Committee
September 20, 1995

- Ms. Zmuda reports that the Human Resources Department has notified labor organizations of the City-wide change in calculating night premiums wherein employees will no longer receive such premiums during vacation and sick leave. Ms. Zmuda advises that the reduction of shift differential pay would represent approximately \$1 million in savings Department-wide. Ms. Zmuda advises that these savings have been incorporated into DPH's FY 1995-96 budget.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

City and County of San Francisco

Commission on the Aging



MEMORANDUM

DATE: September 13, 1995

TO: Sandy Brown Richardson, Budget Analyst, Board of Supervisors

FROM: David Ishida, Executive Director

SUBJECT: 9/20/95 Budget Committee meeting

As per our conversation the following are areas this department is working on to be more efficient:

The COA has been charged with implementing the **Senior Services Plan 1994-2000** as developed by the Board of Supervisors' Senior Services Plan Task Force and passed unanimously by the Board in September, 1994. The COA is to develop an integrated, coordinated consumer driven approach to meeting senior needs that fits the diversity of the City's seniors. The plan also requires the COA to establish ten senior centrals which will be responsible for serving all seniors within their boundaries through outreach, information and referral assistance, a mutual assistance volunteer program and access to essential services that promote independence.

The **COA Five Year Priorities Plan: Summary of Anticipated Trends and Changes FY 1995-96 through FY 1999-2000** documents the issues which impact the aging network. The COA is formulating system changes which will build upon and restructure the existing network of community based, private, non profit senior service providers. The COA anticipates that the system changes will take place gradually over an initial five year period of time.

The COA recognizes that senior centers and congregate nutrition sites are the entry points for well elders into the community based system of care. Also, the fastest growing segment of the City's aging population are those persons over the age of 85 years. This growth is reflected in long waiting lists for services such as home delivered meals, transportation and/or paratransit services, case management (including money management) and in-home services. Functional ability versus age is becoming recognized as the indicator of need for services.

Concurrently, the COA is working with an ***Ad Hoc Community Based Long Term Care Planning Committee*** to provide recommendations towards shaping the City's policy on improving long term care services. The primary goals of the committee is to develop the most desirable comprehensive system of long term care services; to determine how best to fit this system into current reimbursement programs using blended funding streams; to provide guidance about how different programs may be integrated, and how funds may be block granted to promote appropriate utilization of services.

Other City departments include the Department of Public Health, Laguna Honda Hospital, Department of Social Services, Public Guardian - Public Administrator, and the COA. The community is represented by the San Francisco Health Authority, On Lok Senior Health Services, Mt. Zion Institute on Aging, Planning for Elders in the Central City, Northern California Presbyterian Homes, UCSF, Family Caregiver Alliance, San Francisco Adult Day Health Network and various individual advocates. The Ad Hoc Long Term Care Planning Committee is in the process of recruiting additional participants.

The COA is also working with it's 38 contractors in developing and refining *standards for all programs, including unit of service definitions*. The programs currently being reviewed are congregate and home delivered nutrition programs, case management, and transportation/paratransit. The department also requires nutrition contractors to participate in *central purchasing programs* for non food supplies, diary products, and all foodstuffs.

Finally, in FY 1995-96 the COA is instituting a *computerized Management Information System (MIS)* which will meet required federal National Aging Programs Information System and California Department of Aging standards. The department will have the ability to develop an unduplicated master client index for the City, by program and service.

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MINUTES

REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.

AUG 27 1995
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WEDNESDAY, SEPTEMBER 27, 1995-1:00 P.M.

ROOM 410, VETERANS BLDG.
401 VAN NESS AVENUE

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:07 P.M.

RELEASE OF RESERVE

1. File 101-94-107.1. [Reserved Funds, Port] Consideration of release of reserved funds, Port of San Francisco, in the amount of \$700,000, to reimburse the City's half cent sales tax which was used to fund the north and south segments of the Embarcadero Roadway Project. (Port of San Francisco)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$700,000 APPROVED. FILED.

VOTE: 3-0.

2. File 101-92-10.7 [Reserved Funds, Public Library] Consideration of release of reserved funds, Public Library, (1988 Library Improvement Bond Program) in the amount of \$448,728 (Primary move \$317,900; Secondary move \$39,000; Library project management \$91,828) for costs associated with relocation of the collections, furniture, equipment and staff from the current Main Library building into the new Main Library at 100 Larkin Street. (Public Library)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose; Kathy Page, Chief of the Main Library. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$409,728 APPROVED. FILED.

VOTE: 3-0.

MOTIONS

3. File 98-95-1. [Budget Analyst Contract] Motion exercising the second option set forth in the agreement to provide Budget Analyst services between the Board of Supervisors and Stanton W. Jones and Associates/Debra A. Newman/Rodriguez, Perez Delgado and Company, Certified Public Accountants/Harvey M. Rose Accountancy Corporation, Certified Public Accountants/Wallace, Mah and Louie Certified Public Accountants. A Joint Venture to extend the term of the Agreement for two (2) years from January 1, 1996, to December 31, 1997. (Supervisor Hsieh)

SPEAKERS: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

4. File 7-95-8. [Funding Options for MUNI] Motion directing the Board of Supervisors' Budget Analyst to explore dedicated funding options for MUNI. (Supervisor Migden)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ann Branston, Deputy Director for Financial Management and Administration, Department of Public Works; Bill Lee, Chief Administrative Officer; Frank Chiu, Director, Building Inspection Commission; John Martin, Deputy Director, Airport; Dennis Bouey, Director, Port; John Newlin, Director, Department of Parking and Traffic; Michael Colbruno, Legislative Aide to Supervisor Carole Migden; Dan McFarland, General Manager, Department of Electricity and Telecommunications; Andy Moran, General Manager, Public Utilities Commission; Clifford Graves, Executive Director, Redevelopment Agency; Philip Adames, Director of Public Transportation, Municipal Railway; Angelo Figone, General Superintendent, Scheduling and Data Services Safety and Training, Municipal Railway; David Stumpo, Deputy Director, Maintenance Division, Municipal Railway; Nancy Weyland, Deputy Director, Capital Projects; Roger Contares, Deputy Director, Finance, Administration and Personnel, Municipal Railway; Ed Harrington, Controller; Harvey Rose, Budget Analyst. IN SUPPORT: Lynn Burland, Pacific Telesis; Jim Chappell, Executive Director, SPUR; Larry Martin, Transport Workers Union; Norman Rolfe; Michael S. Cook, Machinist Union; Pauline Perra, Shop Stewart, Municipal Railway Car Cleaners.

ACTION: AMENDMENT OF THE WHOLE BEARING SAME TITLE PRESENTED BY MICHAEL COLBURN ON BEHALF OF SUPERVISOR MIGDEN. ADOPTED.

VOTE: 3-0.

AMENDMENT OF THE WHOLE RECOMMENDED.

VOTE: 2-1. (Supervisor Kaufman absent.)

FEE

5. File 124-95-4. [Fees for Temporary Towaway Zones] Ordinance amending Sections 33 and 33.1 of the San Francisco Municipal Code, Traffic Code, to permit the Department of Parking and Traffic to charge fees for posting signs for temporary towaway zones. (Department of Parking and Traffic)
(The Chair may entertain a motion to continue this item.)

ACTION: CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

SPEAKERS: None.

VOTE: 3-0.

FISCAL ITEMS

6. File 101-95-19. [Appropriation, Medical Examiner/Coroner] Ordinance appropriating \$16,000, Medical Examiner/Coroner, from the General Fund Reserve to purchase computer equipment for fiscal year 1995-96.
(Controller) RO #95047

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Herb Holly, Administrator, Medical Examiner/Coroner. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

7. File 101-95-20. [Appropriation, Police Department] Ordinance appropriating \$1,800,000 of 1987 Police Facilities Improvement Bond Interest earnings for the construction of the Bayview Station at the Police Department for Fiscal Year 1995-96. (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ed Lee, Director, Human Rights Commission; Ted Lakey, Deputy City Attorney; Ed Harrington, Controller. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

8. File 101-95-21. [Appropriation, Police Department] Ordinance appropriating \$896,000 for construction of the Bayview Police Station, \$571,000 from the general fund reserve and \$325,000 from rescinding materials and supplies and services of other departments for the Police Department for Fiscal Year 1995-96. (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ed Lee, Director, Human Rights Commission; Ted Lakey, Deputy City Attorney; Ed Harrington, Controller. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING SAME TITLE PRESENTED IN COMMITTEE BY ED HARRINGTON, CONTROLLER. ADOPTED. AMENDMENT OF THE WHOLE RECOMMENDED. Add a Section 2 to read: "Any funds received from the sale of former Police facilities during 1995-96 are hereby appropriated to the General Fund Reserve to replenish appropriations herein for the Bayview Police Station.

VOTE: 3-0.

9. File 23-95-5. [Statute of Limitations, Delmas Allen] Resolution waiving the statute of limitations with respect to payment of a certain warrant of the City and County of San Francisco, in the amount of \$500.00 a legal obligation of the City and County of San Francisco. (Controller)

Payee: Delmas Allen, \$500.00

SPEAKERS: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

HEARING

10. File 7-95-6. [Municipal Railway Staffing, Funding, Wages] Hearing to consider the Municipal Railway's staffing, funding levels, wages and benefits over the last five (5) years. Reports from the Director of Human Resources, the Controller, Muni management, the Budget Analyst and Transport Workers Union leadership. (Supervisor Bierman)

(Consideration continued from 9/13/95)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ann Branston, Deputy Director for Financial Management and Administration, Department of Public Works; Bill Lee, Chief Administrative Officer; Frank Chiu, Director, Building Inspection Commission; John Martin, Deputy Director, Airport; Dennis Bouey, Director, Port; John Newlin, Director, Department of Parking and Traffic; Michael Colbruno, Legislative Aide to Supervisor Carole Migden; Dan McFarland, General Manager, Department of Electricity and Telecommunications; Andy Moran, General Manager, Public Utilities Commission; Clifford Graves, Executive Director, Redevelopment Agency; Philip Adames, Director of Public Transportation, Municipal Railway; Angelo Figone, General Superintendent, Scheduling and Data Services Safety and Training, Municipal Railway; David Stumpo, Deputy Director, Maintenance Division, Municipal Railway; Nancy Weyland, Deputy Director, Capital Projects; Roger Contares, Deputy Director, Finance, Administration and Personnel, Municipal Railway; Ed Harrington, Controller; Harvey Rose, Budget Analyst. **IN SUPPORT:** Lynn Burland, Pacific Telesis; Jim Chappell, Executive Director, SPUR; Larry Martin, Transport Workers Union; Norman Rolfe; Michael S. Cook, Machinist Union; Pauline Perra, Shop Stewart, Municipal Railway Car Cleaners.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 2-1. (Supervisor Kaufman absent.)

11. File 100-95-8. [Government Efficiency] Hearing to consider ways to increase efficiency and reduce costs in the City's public works, transportation and commerce departments, (Department of Public Works, Building Inspection Commission, Airport, Port, Department of Parking and Traffic, Department of Electricity and Telecommunications, Public Utilities Commission, PUC-Bureau of Light, Heat and Power, PUC Hetch Hetchy project, PUC-Water Department, Transportation Commission-Municipal Railway and the San Francisco Redevelopment Agency). (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ann Branston, Deputy Director for Financial Management and Administration, Department of Public Works; Bill Lee, Chief Administrative Officer; Frank Chiu, Director, Building Inspection Commission; John Martin, Deputy Director, Airport; Dennis Bouey, Director, Port; John Newlin, Director, Department of Parking and Traffic; Michael Colbruno, Legislative Aide to Supervisor Carole Migden; Dan McFarland, General Manager, Department of Electricity and Telecommunications; Andy Moran, General Manager, Public Utilities Commission; Clifford Graves, Executive Director, Redevelopment Agency; Philip Adames, Director of Public Transportation, Municipal Railway; Angelo Figone, General Superintendent, Scheduling and Data Services Safety and Training, Municipal Railway; David Stumpo, Deputy Director, Maintenance Division, Municipal Railway; Nancy Weyland, Deputy Director, Capital Projects; Roger Contares, Deputy Director, Finance, Administration and Personnel, Municipal Railway; Ed Harrington, Controller; Harvey Rose, Budget Analyst. IN SUPPORT: Lynn Burland, Pacific Telesis; Jim Chappell, Executive Director, SPUR; Larry Martin, Transport Workers Union; Norman Rolfe; Michael S. Cook, Machinist Union; Pauline Perra, Shop Stewart, Municipal Railway Car Cleaners.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 2-1. (Supervisor Kaufman absent.)

12. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)
(Consideration continued from 9/20/95)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ann Branston, Deputy Director for Financial Management and Administration, Department of Public Works; Bill Lee, Chief Administrative Officer; Frank Chiu, Director, Building Inspection Commission; John Martin, Deputy Director, Airport; Dennis Bouey, Director, Port; John Newlin, Director, Department of Parking and Traffic; Michael Colbruno, Legislative Aide to Supervisor Carole Migden; Dan McFarland, General Manager, Department of Electricity and Telecommunications; Andy Moran, General Manager, Public Utilities Commission; Clifford Graves, Executive Director, Redevelopment Agency; Philip Adames, Director of Public Transportation, Municipal Railway; Angelo Figone, General Superintendent, Scheduling and Data Services Safety and Training, Municipal Railway; David Stumpo, Deputy Director, Maintenance Division, Municipal Railway; Nancy Weyland, Deputy Director, Capital Projects; Roger Contares, Deputy Director, Finance, Administration and Personnel, Municipal Railway; Ed Harrington, Controller; Harvey Rose, Budget Analyst. IN SUPPORT: Lynn Burland, Pacific Telesis; Jim Chappell, Executive Director, SPUR; Larry Martin, Transport Workers Union; Norman Rolfe; Michael S. Cook, Machinist Union; Pauline Perra, Shop Stewart, Municipal Railway Car Cleaners.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO OCTOBER 3, 1995, MEETING.

VOTE: 2-1. (Supervisor Kaufman absent.)

TIME MEETING ADJOURNED: 5:40 P.M.

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CITY AND COUNTY



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Kate Wingerson

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

September 22, 1995

TO: Budget Committee
FROM: Budget Analyst *Recommendation for*
SUBJECT: September 27, 1995 Budget Committee Meeting

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Item 1 - File 101-94-107.1

Departments: Port
Department of Public Works (DPW)

Item: Release of reserved funds for the Port in the amount of \$700,000.

Amount: \$700,000

Source of Funds: 1971 Harbor Improvement Bond Fund

Description: The Board of Supervisors previously approved legislation reappropriating \$2,993,539 from various Port funds for Capital Improvement Projects at the Port (File 101-94-107). At the same time, the Board of Supervisors placed the entire \$2,993,539 on reserve pending (1) the Port's submission of the MBE/WBE status of the contractors and the contract cost details and (2) the detailed costs of the project work that is to be performed in-house. Of the \$2,993,539, a total of \$700,000 was designated for roadway construction (including planning, design work and project management) in connection with the North and South segments of the Embarcadero Roadway Project. This \$700,000 is the subject of this proposed release of reserved funds.

The Embarcadero Roadway Project consists of the following four phases of reconstruction of the roadway and other construction work (i. e., realignment, re-grading and re-

building of the roadway, installing MUNI railway tracks, sewer work, and wharf work), along the Embarcadero from (1) North Point to Broadway Street (North Embarcadero segment), (2) Folsom Street to King Street (South Embarcadero segment), (3) Broadway to Folsom Street (Mid-Embarcadero segment), and (4) King Street from the Embarcadero to 5th Street (King Street segment). Additionally, this Project consists of constructing medians, bikeways, pedestrian walkways, landscaping, street lighting, synchronized traffic signals, street furniture and removing railroad tracks.

The current total estimated cost of all phases of the Embarcadero Roadway Project is \$265,277,316. The current source of funds for this project is primarily various Federal and State funds and local Sales Tax funds (see Attachment I for budget details and specific funding sources). Of the \$265,277,316 a total of \$96,752,161 represents the estimated cost of the roadway construction for the North and South Embarcadero project segments (see Attachment II for budget details). The requested \$700,000 represents the Port's share of costs for the roadway construction for the North and South Embarcadero segments of the Embarcadero Roadway Project as stipulated in a Memorandum of Understanding (MOU) between the DPW and the Port in 1991. Since that time, the DPW has proceeded with the construction work, using local Sales Tax funds to cover the Port's share of costs. The requested \$700,000 would reimburse these Sales Tax funds from the Port to the DPW.

Ms. Tina Olson of the DPW states that the actual amount of the Port's share of costs for the North and South Embarcadero segments should be \$1,222,793 or 15 percent of the estimated \$8,151,950 cost for the portion of work on these project segments, which would benefit the Port (e. g., sewer work and wharf work). The \$1,222,793 represents matching funds for the Federal monies used to fund these project segments. Ms. Olson advises that although the Port's share of costs should be \$1,222,793, the subject requested release of \$700,000 represents the Port's share in accordance with an agreement between the DPW and the Port, based on the Port's available funds to pay for these costs (see Attachment III for further explanation of the basis for the Port's share of costs and Attachment IV for budget details for the \$8,151,950). As previously noted, the total cost of the North and South Embarcadero segments is \$96,752,161.

Ms. Olson advises that the South Embarcadero segment was completed in July of 1994 and the North Embarcadero

segment is expected to be completed by October of 1995. However, Ms. Olson states that the Port is still obligated to reimburse DPW \$700,000 for the Sales Tax funds advanced by DPW.

Ms. Olson reports that at the time the \$700,000 was placed on reserve, the DPW anticipated that the \$700,000 might be used to fund the King Street segment (King Street from the Embarcadero to 5th Street) of the Embarcadero Roadway Project. Ms. Olson states that the DPW was uncertain if the funding which had been identified for this project segment would be sufficient because the DPW had not received responses to the DPW's Invitation for Bids for the King Street segment. As such, according to Ms. Olson, the DPW believed the \$700,000 might be required to fund this project segment. Since the contractor for the King Street segment had not yet been selected, the \$700,000 was placed on reserve pending the submission of the MBE/WBE status of the construction contractor and the contract cost details. Ms. Olson states that in June of 1995, the bids received by the DPW for the King Street segment came in between approximately \$16.3 million and \$19.4 million, which were under the DPW engineer's cost estimate of approximately \$20 million, which meant that the subject \$700,000 in Port funds, which had previously been reserved, would not be required for that project segment (see Attachment III for Ms. Olson's written explanation of this matter).

According to Ms. Olson, the DPW instead now plans to use the \$700,000 to reimburse the Sales Tax funds which were advanced by DPW to pay for the Port's share of costs for the North and South segments of the Embarcadero Roadway Project (see Attachment III for Ms. Olson's clarification on this matter).

In summary, the proposed release of reserve would permit the Port to reimburse DPW \$700,000 for the Sales Tax funds which DPW advanced to pay for the Port's share of costs for construction on the North and South Embarcadero segments of the Embarcadero Roadway Project in accordance with a 1991 agreement between DPW and the Port.

Recommendation: Approve the release of reserved funds in the amount of \$700,000.

Embarcadero Roadway Projects Analysis of Funding Requirements As of September 1, 1995	
	Estimated Budget
6150E Embarcadero Roadway Planning	
Sales Tax	\$1,354,141
FHWA Interstate	3,438,623
PTD	932,372
General Fund	102,412
TOTAL 6150E	\$5,827,448
6546E Embarcadero Alignment	
PTD	\$95,688
TOTAL 6546E	\$95,688
TOTAL 6150E + 6546E	\$5,923,136
6547E Embarcadero Roadway Land Acquisition	
Sales Tax	\$3,416,645
FHWA Interstate	3,342,266
PTD	614,781
TOTAL 6547E	\$7,373,692
7033E Site Clearance	
Sales Tax	\$19,519
FHWA Interstate	61,946
PTD	23,535
TOTAL 7033E	\$105,000
TOTAL 6547E + 7033E (minus \$11M land donation)	\$7,478,692
7078E Administrative Coordination	
Sales Tax	\$495,131
FHWA Interstate	811,593
TOTAL 7078E	\$1,083,224
6658E So. Embarcadero Design	
Sales Tax	\$1,183,584
FHWA Interstate	1,753,904
PTD	34,108
TOTAL 6658E	\$2,981,596
6658E So. Embarcadero Construction	
Sales Tax	\$4,408,872
FHWA Interstate	18,177,875
PTD	14,880,814
Utilities	3,740
Other	20,620
TOTAL 6658E	\$37,491,621
TOTAL 6658E (minus PTD)	\$25,592,603
6659E No. Embarcadero Design	
Sales Tax	\$1,374,272
FHWA Interstate	1,790,288
PTD	0
TOTAL 6659E	\$3,164,570

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Embarcadero Roadway Projects Analysis of Funding Requirements As of September 1, 1995	
	Estimated Budget
7151E Np. Embarcadero Construction	
Sales Tax	\$4,983,172
FHWA Interstate	18,071,027
FHWA TEA - Art Ribbon	360,000
FHWA TEA - Historic Signage	262,376
PTD	6,318,906
R&R Funds (Sewer Svc Charge)	202,920
Water Dept.	71,174
FEMA	259,175
TOTAL 7151E	\$28,528,750
TOTAL 7151E (minus PTD)	\$22,209,844
7268E Berry Street Facility Contract	
Sales Tax	\$762,989
FHWA Interstate	4,134,063
PTD	1,107,480
R&R Funds (Sewer Svc Charge)	187,931
TOTAL 7268E	\$6,202,463
7401E Berry Street Facility Contract 2	
Sales Tax	\$400,089
FHWA Interstate	1,852,560
PTD	1,073,165
TOTAL 7401E	\$3,925,824
TOTAL 7151E + 7268E + 7401E (minus PTD)	\$29,557,486
8860E King Street Design	
Sales Tax	\$1,159,385
FHWA Interstate	1,303,342
PTD	98,000
TOTAL 8860E	\$2,560,727
7152E King Street Construction (to 5th Street)	
FHWA Interstate	7,197,468
FCR - Federalized STP	845,829
FHWA TEA - Historic Signage	125,937
Catalus (Sewer)	880,000
SPWD	169,554
State match - FCR	1,379,604
PTD	12,472,803
TOTAL 7152E	\$22,871,195
TOTAL 7152E (minus PTD)	\$10,398,392
King Street Construction (5th to 6th Streets)	
FHWA Interstate	\$1,840,000
State Match - FCR Funds	460,000
TOTAL King 5th to 6th	\$2,300,000
7th and Berry Street (JPB Board)	
FCR	\$500,000
TOTAL 7th and Berry Street	\$500,000

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Embarcadero Roadway Projects Analysis of Funding Requirements As of September 1, 1995	
	Estimated Budget
TOTAL Capital Project (minus PTD Construction)	\$88,568,830
SUMMARY OF ALL FUNDING SOURCES FOR EMBARCADERO ROADWAY (N.S. & King)	
Sales Tax	\$19,567,908
Sales Tax Advance for Rincon Park	1,874,400
FHWA Interstate	61,774,888
FHWA TEA - Art Ribbon	360,000
FHWA TEA - Historic Signage	375,000
FCR - Federalized STP	645,829
State Match King - FCR Funds	1,379,604
FCR funds - Other King Street Projects	960,000
PTD (minus PTD Construction)	1,708,484
FEMA	259,175
General Fund	102,412
Catellus	880,000
SPWD	240,728
Other	425,211
Total Project (minus PTD Construction)	\$80,843,817
PTD Construction	38,452,968
TOTAL PROJECT (including PTD)	\$119,296,785
Maintenance and Operation Costs	
Sales Tax- North Embarcadero (15 yrs)	\$2,683,470
Sales Tax- South Embarcadero (16 yrs)	3,162,173
Sales Tax- King Street (14 yrs)	677,786
Sales Tax- Mid Embarcadero (11 yrs)	956,882
Sales Tax-Art Commission	110,000
TOTAL Maintenance and Operation Costs	\$7,490,310
TOTAL PROJECT (including TSS)	
Mid-Embarcadero TSS	
Right-of-Way	
7537E State ER-DPW	\$560,000
State ER-(CalTrans)	6,300,000
TOTAL Right-of-Way	\$6,860,000
7408E TSS Traffic Study	
FHWA ER (TSS)	\$254,120
State ER (TSS)	45,880
Mayor's ER Fund	21,000
TOTAL TSS Traffic Study	\$421,000

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**Embarcadero Roadway Projects
Analysis of Funding Requirements
As of September 11, 1995**

	Estimated Budget
60840 Prelim. Engr/Environmental	
Sales Tax	\$433,000
FHWA ER (Mid)	2,416,449
FHWA ER (TSS)	2,168,616
State ER (Mid)	763,020
State ER (TSS)	204,318
Mayor's ER Fund	460,000
Broadway Parking Revs	200,000
TOTAL Prelim. Engr/Environmental	\$6,644,403
Detailed Design	
FHWA ER (Mid)	1,796,211
FCR Funds Match (Mid)	1,071,067
Sales Tax (Mid Match)	238,561
Broadway Parking Revs (Extra Rev source)	160,000
FHWA ER (TSS)	1,365,898
State Match (TSS)	1,117,368
FHWA ER (Mid Garage)	1,608,880
CalTrans Land (Mid Garage)	866,320
TOTAL Design	\$8,224,123
Construction	
FHWA ER (MID)	21,572,121
FCR Funds Match (Mid)	3,549,716
FHWA ER (TSS)	16,401,728
State Match (TSS)	2,898,922
FHWA ER (MID Garage)	14,647,463
CalTrans Land (MID Garage)	4,492,537
TOTAL Construction	\$41,890,384
Construction Management	
FHWA ER (MID)	1,884,138
FCR Funds Match (Mid)	628,046
FHWA ER (TSS)	1,432,549
State Match (TSS)	477,518
CalTrans Land (MID Garage)	1,904,000
TOTAL Construction Management	\$2,538,111
Contingency/Admin	
FHWA ER (MID)	\$13,973,687
FCR Funds Match (Mid)	3,578,738
Sales Tax Match (Mid)	2,409,946
FHWA ER (TSS)	8,138,177
State Match (TSS)	3,048,058
CalTrans Land Match (MID Garage)	12,145,548
TOTAL Contingency/Admin.	\$44,282,065
TOTAL MID/TSS PROJECT	\$112,670,086

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Embarcadero Roadway Projects
Analysis of Funding Requirements
As of September 1, 1995

**Estimated
Budget**

SUMMARY OF MID/TSS FUNDING SOURCES

Sales Tax*	\$3,081,507
FHWA ER (MID)	41,841,517
FHWA ER (TSS)	30,860,884
FHWA ER (MID Garage)	16,156,343
State ER-(DPW)	560,000
State ER-(CalTrans)	8,300,000
State ER-(MID)	783,202
State ER-(TSS)	250,188
Mayor's ER	481,000
FCR Funds Match (Mid)	8,827,566
State Match (TSS)	7,644,203
CalTrans Land (MID Garage)	19,408,405
Broadway Parking Revs	360,000

TOTAL FUNDING SOURCES MID/TSS **\$138,234,825**

*Sales Tax funds may be used if proceeds from CalTrans land sales or FCR funds are unavailable. Thus, total amounts required will depend on the timing & amount received from CalTrans land sales.

SUMMARY OF ALL FUNDING SOURCES

Sales Tax	\$30,139,726
Sales Tax Advance for Rincon Park	1,874,400
FHWA Interstate	61,774,886
FHWA ER (MID)	41,841,517
FHWA ER (TSS)	30,860,884
FHWA ER (MID Garage)	16,156,343
State ER-(DPW)	560,000
State ER-(CalTrans)	8,300,000
State ER-(MID)	783,202
State ER-(TSS)	250,188
FCR - Federalized STP	645,829
FCR Funds Match (Mid)	8,827,566
CalTrans Land (MID Garage)	19,408,405
Mayor's ER	481,000
Broadway Parking Revs	360,000
FHWA TEA - Art Ribbon	360,000
FHWA TEA - Historic Signage	375,000
State Match King - FCR Funds	1,379,504
FCR funds - Other King Street Projects	960,000
FEMA	259,176
Catellus	890,000
SPWD	240,728
PTD (minus PTD Construction)	1,798,484
General Fund	102,412
Other	425,211

TOTAL PROJECT FUNDING SOURCES **\$228,824,350**

Total PTD Construction **36,462,968**

GRAND TOTAL PROJECT COST **\$265,277,318**

Note: Estimated Budget Indicates need and estimated revenues. It does not indicate secured or appropriated revenues.

Bureau of Engineering

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Attachment II

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North and South Segments of the Embarcadero Roadway Project: Summary of Cost and Funding Source by Project Phase and Number
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6150E Embarcadero Roadway Planning

Sales Tax	\$1,354,141
FHWA Interstate	3,438,523
MUNI	932,372
General Fund	<u>102,412</u>

TOTAL 6150E	\$5,827,448
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6546E Embarcadero Alignment

MUNI	95,688
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TOTAL 6546E	\$95,688
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6547E Embarcadero Roadway Land Acquisition

Sales Tax	3,416,645
FHWA Interstate	3,342,266
MUNI	<u>614,781</u>

TOTAL 6547E	\$7,373,692
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7033E Site Clearance

Sales Tax	19,519
FHWA Interstate	61,946
MUNI	<u>23,535</u>

TOTAL 7033E	\$105,000
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7079E Administrative Coordination

Sales Tax	495,131
FHWA Interstate	<u>811,593</u>

TOTAL 7079E	\$1,306,724
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6658E So. Embarcadero Design

Sales Tax	1,193,584
FHWA Interstate	1,753,904
MUNI	<u>34,108</u>

TOTAL 6658E	\$2,981,596
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Bureau of Engineering

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Page 2 of 3

6658E So. Embarcadero Construction	
Sales Tax	4,408,972
FHWA Interstate	18,177,675
MUNI	14,880,614
Utilities	3,740
Other	<u>20,620</u>
TOTAL 6658E	\$37,491,621
6659E No. Embarcadero Design	
Sales Tax	1,374,272
FHWA Interstate	1,790,298
MUNI	<u>8,000</u>
TOTAL 6659E	3,172,570
7151E No. Embarcadero Construction	
Sales Tax	4,983,172
FHWA Interstate	16,071,027
FHWA TEA - Art Ribbon	360,000
FHWA TEA - Historic Signage	262,336
MUNI	6,318,906
R&R Funds (Sewer Svc Charge)	202,920
Water Dept.	<u>71,174</u>
TOTAL 7151E	\$28,269,535
7268E Berry Street Facility Contract	
Sales Tax	762,989
FHWA Interstate	4,134,063
MUNI	1,107,480
R&R Funds (Sewer Svc Charge)	<u>197,931</u>
TOTAL 7268E	6,202,463
7401E Berry Street Facility Contract 2	
Sales Tax	400,099
FHWA Interstate	1,852,560
MUNI	<u>1,673,165</u>
TOTAL 7401E	\$3,925,824
TOTAL	\$96,752,161

Bureau of Engineering

9/15/95

Attachment IIPage 3 of 3**SUMMARY OF FUNDING SOURCES NORTH AND SOUTH EMBARCADERO**

Sales Tax	\$18,408,524
FHWA Interstate	51,433,855
MUNI	25,688,649
General Fund	102,412
FHWA TEA - Art Ribbon	360,000
FHWA TEA - Historic Signage	262,336
R&R Funds (Sewer Svc Charge)	400,851
Water Dept.	71,174
Utilities	3,740
Other	20,820
TOTAL North and South	\$96,752,161

City and County of San Francisco

Department of Public Works
Finance and Budget DivisionAttachment III
Page 1 of 3

September 21, 1995

Subject: Release of Reserved Funds

Ms. Sandy Brown-Richardson
Budget Analyst's Office
1390 Market St., Suite 1075
San Francisco, CA 94102

Dear Sandy:

In May of 1995, the Port submitted a supplemental appropriation request for \$2,993,539 which included \$700,000 to fund the Port's share of the north and south segments of the Embarcadero Roadway Project which is being managed by DPW. As previously explained, because the south segment is complete and the north segment is almost complete, the City's half cent sales tax covered the Port's portion of the north and south segments of the Roadway. Thus, this request to release the \$700,000 in reserved funds should be used to reimburse the sales tax monies. These funds would subsequently be available for the Mid-Embarcadero segment of the Roadway. If the Mid-Embarcadero segment does not require these sales tax funds, then the sales tax funds would be available for other sales tax funded projects.

Basis for the Port's Contribution to the North and South Segments

In the letter to the supplemental appropriation, the Port characterized the funding as payment for construction of a new storm drain and sewer system along the Embarcadero Roadway. This is based on a MOU between the Port and DPW signed in 1991. As described in the attached spreadsheet, the storm drain and sewer system for the north and south segments of the Embarcadero has been constructed at a total cost of approximately \$4,424,813 of which the Port was responsible for funding the 15 percent match to the FHWA grant or \$663,722.

However, the \$700,000 represents a verbally agreed upon amount the Port would pay for all of the work on the north and south segments of the Embarcadero Roadway that benefited the Port, including work done to the marginal wharf (the sidewalk area constructed on the wharf over the water). The marginal wharf work for the north and south segments was \$3,628,473 of which the Port was responsible for paying the 15 percent match to the FHWA grant or \$544,271. There is an additional \$98,667 spent on change orders for work related to the Port such as driveway work on Port property of which the Port should have paid the 15 percent match or \$14,800. Thus, the total amount the Port was responsible for paying was \$1,222,793 (\$663,722 for sewer work +

\$544,271 for marginal wharf work + \$14,800 for Port related change orders = \$1,222,793). Due to funding constraints, the Port is unable to provide all of this amount to the north and south segments of the Roadway. We therefore agreed on \$700,000 which the Port was able to afford.

Why the Funds Were Placed on Reserve

Unfortunately, the Port did not consult with DPW prior to submitting the supplemental appropriation. If we had participated in its development, the supplemental appropriation would have stated that the Port funds should be used to reimburse the sales tax. I found out about the supplemental appropriation too late to make the necessary changes. However, because the funds were not immediately required, we decided it was okay to place them on reserve and resolve the misunderstanding later. At that time, we were unsure whether the King Street segment would require these funds. It does not. However, because the agreement with the Port related to the north and south segments, it is appropriate that the \$700,000 be used to reimburse the sales tax. If the Port had provided the \$700,000 before awarding the north and south construction contracts, then we would not have had to use sales tax monies to cover the Port's portion.

Why these Funds Should Be Released Now Rather than After Awarding the Mid-Embarcadero Construction Contract

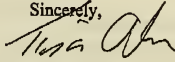
We do not know yet whether the Mid-Embarcadero segment will require additional funding outside of the federal and state grant funds. In addition, we may receive funding from the sale of Caltrans land that was recently transferred to the City. We mention that reimbursing the sales tax would result in more sales tax funding becoming available for the Mid-Embarcadero. However, we are not requesting that the \$700,000 in Port funds be appropriated for the Mid-Embarcadero segment. Reimbursing the sales tax will benefit the Mid-Embarcadero by having more sales tax monies available for it. As you may know, the expenditure plan for the sales tax program identifies the projects that are eligible for sales tax funding. The entire Embarcadero Roadway is one of those projects. Sales tax funds not used on the north, south, and King Street segments will therefore be available for the mid segment.

Why release the \$700,000 now? This request to release the \$700,000 in reserved funds represents a step in the administrative process of securing local, state, and federal funds for the Mid-Embarcadero project.

Please note that the Board of Supervisors will have an opportunity to review the project scope, its budget and the contract awards for the Mid-Embarcadero segment when we submit a resolution to them to accept and expend the federal grant for the project. Further, because the sales tax is a grant program, DPW would have to submit a request to the Transportation Authority to use any of the \$700,000 on the Mid-Embarcadero.

I hope this clarifies the request to release the \$700,000 to reimburse the sales tax funding.
If you have any questions please contact me at 558-4033.

Sincerely,

A handwritten signature in dark ink, appearing to read "Tina Olson", written over the word "Sincerely,".

Tina Olson
Transportation Finance Analyst

North and South Embarcadero Roadway - Port's Share of Costs

	North Embarcadero	FHWA 85%	Port Share Match 15%	South Embarcadero	FHWA 85%	Port Share Match 15%	Total North & South	Total Port Share
Sewer Work	1,985,557	1,687,724	297,834	1,554,293	1,321,149	233,144	3,539,850	530,978
Port Related Change Orders*	41,706	35,450	6,256	37,226	31,642	5,584	78,932	11,840
Marginal Wharf Work	2,108,778	1,792,461	316,317	794,000	674,900	119,100	2,902,778	435,417
Subtotal Contract Work	\$4,138,041	\$3,515,635	\$820,406	\$2,385,519	\$2,027,691	\$357,828	6,521,560	978,234
Design Work @ 10%	413,604	351,564	62,041	238,552	202,769	35,783	652,156	97,823
Construction Mgmt @15% of construction	620,408	527,345	93,061	357,828	304,154	53,674	978,234	148,735
Total Cost	\$5,170,052	\$4,394,544	\$775,508	\$2,981,899	\$2,534,614	\$447,285	\$8,151,950	\$1,222,793

Includes driveway for Boondocks Restaurant, Pier 26 & 28 driveway modifications, unforeseen construction obstacles, & box sewer ladder.

Port's Participation = 15% Match:

\$1,222,793

	North	South	
Sewer - Port Amount	297,834	233,144	
Design	29,783	23,314	
Construction Mgmt	44,675	34,972	
Subtotal	372,292	291,430	663,722
Port Related Change Orders	6,256	5,584	
Design	626	558	
Construction Mgmt	938	838	
Subtotal	7,820	6,980	14,800
Marginal Wharf - Port Amount	316,317	119,100	
Design	31,632	11,910	
Construction Mgmt	47,448	17,865	
Subtotal	395,396	148,875	544,271
Total Port	767,688	440,305	1,222,793

Sources: Contractor bids plus change orders.

Memo to Budget Committee
September 27, 1995 Budget Committee Meeting

Item 2 - File 101-92-10.7

Department: Public Library

Item: Hearing requesting release of reserved funds, Public Library (1988 Library Improvement Bond Program), in the amount of \$448,728, for costs associated with relocation of the collections, furniture, equipment, and staff from the current Main Library building at Larkin and McAllister to the new Main Library at 100 Larkin Street.

Amount: \$448,728

Source of Funds: 1988 Library Improvement Bond Funds

Description: In December of 1992, the Board of Supervisors appropriated an amount of \$86,213,304 in 1988 Library Improvement Bond Program funds for capital improvement projects including construction of the new Main Library, relocation of the Library's collection, and improvements at Branch Libraries. Of this amount, the Board placed \$6,172,083 on reserve, including \$500,000 for Library collection relocation, pending determination of Library staffing requirements, selection of a contractor, and submission of the MBE/WBE status of the contractor to the Board of Supervisors.

The \$448,728 in reserved funds being proposed for release includes \$317,900 for the Primary phase of relocating the Library's collection, plus all other Library materials, equipment and staff offices, from the current Main Library at Larkin and McAllister Streets to the new Main Library at 100 Larkin Street, and for cleaning of the books during the move, \$39,000 for the Secondary phase of the relocation, and \$91,828 in Library staff costs associated with moving from the current building to the new Main Library.

The Library has conducted a competitive bidding process for the contract to move the Library's collection and other equipment. Seven preliminary bids were received, three of which were determined by the Library staff to be qualified for submittal of final bids. National Library Relocation Services, Inc., which was the low bidder, was chosen for the project. National Library Relocation Services, Inc., is not a City-certified MBE/WBE. The bidders and bid amounts, as provided by Ms. Kathy Page, Chief of the Main Library, were as follows:

<u>Name of Firm</u>	<u>Bid Amount</u>
National Library Relocation Services	\$284,000
William B. Meyer, Inc.	\$364,834
Hallett & Sons	\$430,880

BOARD OF SUPERVISORS
BUDGET ANALYST

The relocation of the Library's collection and equipment will be managed and overseen by existing Public Library City employees who are currently funded with Library Bond monies. Budget details of the contract with National Library Relocation Services, Inc., and of the cost of City staff to oversee the project, are shown below.

Budget:

Primary Relocation

Contract cost (lump sum bid)	\$260,000	
Alternate 2 (cleaning books during move)	<u>24,000</u>	
Sub-total contract cost		284,000
Insurance	5,000	
Contingency (11% of contract cost)	<u>28,900</u>	
Sub-total		317,900

Secondary Relocation (See Comment 2)

Estimated contract cost	32,500	
Contingency (20% of contract cost)	<u>6,500</u>	
Sub-total		39,000

Public Library Staff Cost (See Comment 3)

1366 Special Asst. VII, 1.0 FTE, 26 wks.	27,438	
1840 Junior Mgt. Asst., .75 FTE, 26 wks.	13,286	
1844 Senior Mgt. Asst., .50 FTE, 26 wks.	26,022	
3602 Library Page, 2.0 FTE, 26 wks.	<u>25,082</u>	
Sub-total		<u>91,828</u>

TOTAL **\$448,728**

Comments:

1. According to Ms. Page, the contract for the Primary phase of the relocation includes moving the Library's collection and equipment, and cleaning the books during the move.

2. The Secondary phase of the relocation involves moving furniture and equipment, formerly used in the Main Library but which will not be used in the new Main Library, to various Branch Libraries, return of shelving which had been borrowed from the City of Richmond, and other miscellaneous projects necessary to finish clearing out the old Main Library building. Ms. Page reports that a contractor has not yet been chosen for the Secondary phase, but that the Library anticipates working with a mover who has an existing contract with the City Purchaser. Therefore, the amount of \$39,000 for the Secondary phase of the relocation should be kept on reserve pending the selection of a contractor, the submission of budget details, and of the MBE/WBE status of the contractor to the Board of Supervisors.

3. The City personnel who would be funded under this release of reserve are existing Public Library staff currently funded with Library Bond funds. The proposed release of reserve

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Memo to Budget Committee
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would fund these staff for the 26-week period from January 2, 1996, to July 2, 1996 according to Ms. Page.

4. The Library and the DPW project that construction of the new Main Library will be completed by December 31, 1995. Relocation of the collection and equipment is anticipated to be completed in time for the planned opening of the new Main Library on April 16, 1996.

- Recommendation:**
1. Approve the release of \$409,728 in Library Improvement Bond Funds (\$448,728 less \$39,000) for the Primary phase of the relocation to the new Main Library.
 2. Continue to reserve \$39,000 for the Secondary phase of the relocation.

Item 3 - File 98-95-1

The proposed motion would exercise the third of four options, set forth in the agreement to provide Budget Analyst services between the Board of Supervisors and Stanton W. Jones and Associates/Debra A. Newman/Rodriguez, Perez, Delgado & Company, Certified Public Accountants/Harvey M. Rose Accountancy Corporation, Certified Public Accountants/Mah & Louie, Certified Public Accountants, A Joint Venture, to extend the term of the agreement for two years from January 1, 1996 to December 31, 1997.

The Proposition J Controller's certification, which was previously approved by the Board of Supervisors, is attached to this report.

The total compensation for the five joint venture firms, as previously approved by the Board of Supervisors in the Fiscal Year 1995-96 budget, is \$1,349,996.

No changes have been proposed in the subject third option from the existing second option, as previously approved by the Board of Supervisors.

To continue full implementation of the Board's Minority Business Enterprise (MBE), Women Business Enterprise (WBE) ordinance, the Budget Analyst services are provided under a Joint Venture Agreement between the Board of Supervisors and Stanton W. Jones and Associates(MBE)/Debra A. Newman(WBE)/Rodriguez, Perez, Delgado & Company Certified Public Accountants(MBE)/Harvey M. Rose Accountancy Corporation Certified Public Accountants/Mah & Louie, Certified Public Accountants(MBE). The MBE and WBE firms are registered with the Human Rights Commission. In accordance with the Board of Supervisors previously approved MBE/WBE Department Action Plan, 40 percent of the funding to provide Budget Analyst services under this contract is allocated to the four above-named MBE/WBE firms.

[Contract]

CONCURRING WITH THE CONTROLLER'S CERTIFICATION THAT SERVICES OF THE
BUDGET ANALYST CAN BE PRACTICALLY PERFORMED BY PRIVATE CONTRACTOR
FOR LOWER COST THAN SIMILAR WORK SERVICES PERFORMED BY CITY AND
COUNTY EMPLOYEES

WHEREAS, The electorate of the City and County of San
Francisco passed Proposition J in November 1976, adding Section
8.300-1 to the Charter allowing city departments to contract with
private companies for specific services which can be practically
performed for a lower cost than similar work by city and county
employees; and

WHEREAS, The Controller has certified on June 19 1995,
that Budget Analyst services can be performed at lower cost to the
city and county than by employees of the city and county; now,
therefore, be it

RESOLVED, That this Board of Supervisors hereby concurs with
the Controller's certification and declares its intention to enter
into a contract for fiscal year 1995-96 for services of the
Budget Analyst.

Adopted - Board of Supervisors, San Francisco July 31, 1995

Ayes: Supervisors Alioto Amiano Bierman Hallinan Haich Kaufman
Leal Wigden Shelley Teng

Absent: Supervisor Kennedy

I hereby certify that the foregoing resolution
was adopted by the Board of Supervisors
of the City and County of San Francisco

Clerk

AUG 11 1995

File No.
25-95-19

Date Approved

Mayor

Item 4 - File 7-95-8

Item: Motion directing the Board of Supervisors' Budget Analyst to explore dedicated funding options for MUNI.

Description: The proposed motion would direct the Budget Analyst to explore dedicated funding sources for MUNI, including, but not limited to a sales tax, vehicle registration fee, toll or separate MUNI tax. Upon completion, the Budget Analyst would report to the Board of Supervisors on the various funding sources' feasibility.

As part of this review, the Budget Analyst would include, but not be limited to, the following:

- Conduct detailed discussions with MUNI representatives to identify their funding needs, current revenue sources, annual revenue streams and potential funding options (e.g., assessment district).
- Review current State and Federal legislation relevant to transit funding.
- Identify other transit agencies that have successfully implemented various dedicated funding sources to generate additional transit-specific revenues.
- Verify the actual revenue streams generated in these other transit agencies and develop the potential revenue streams that would be available for MUNI from such funding options.
- Outline the steps necessary to establish dedicated funding sources for MUNI, including any obstacles or barriers to such implementation and their long-term viability.

Comments: 1. The requested study is estimated to require approximately 225 hours to complete. Based on the Budget Analyst's average hourly rate of \$70.85, this review will cost approximately \$15,941. However, this review would be conducted under the Budget Analyst's existing contract with the Board of Supervisors, such that the City would not incur any additional expenses for the completion of this review of dedicated funding options for MUNI.

2. As outlined in the procedures above, the Budget Analyst will review alternative funding options that may be available as well as potential obstacles for long-term viability. For example, AB 925 (California Revenue and Taxation Code Section 11151 et. seq.) currently permits San Francisco, subject to the Board of Supervisors approval and voter approval by two-thirds, to impose a vehicle license fee and a \$4 vehicle fee registration surcharge. Revenues generated from these fees could provide a dedicated funding stream for public transit capital, security and maintenance costs. However, in accordance with AB 925, transit fares would not be able to be increased while these additional fees are in effect.

In addition, Mr. Ed Harrington of the Controller's Office reports that specifically dedicated revenues and earmarked funds for MUNI may require a two-thirds vote of the San Francisco electorate, because of Proposition 13 requirements.

3. According to the Office of the Sponsor of the proposed motion, the requested review should be conducted by the Budget Analyst as soon as possible in order to meet Charter Amendment deadlines for the San Francisco primary election to be held in March, 1996. The Author's Office is therefore requesting that the proposed motion be amended to include language for priority assignment. The Budget Analyst reports that if the proposed motion was assigned a priority order, the Budget Analyst could complete this work in November, 1995.

Recommendation:

Approval of the proposed motion, including any amendment for priority assignment, is a policy matter for the Board of Supervisors.

Item 5 - File 124-95-4

Department: Department of Parking and Traffic (DPT)

Item: Ordinance amending the Traffic Code by amending Sections 33 and 33.1 to modify and add new regulations regarding temporary towaway zones and to permit the Department of Parking and Traffic to charge fees for posting signs for temporary towaway zones.

Description: The Board of Supervisors approved funds in the 1995-96 budget for DPT to implement its new Temporary Towaway Zone Program. The purpose of this program is to centralize the authorization, maintenance, and enforcement of temporary towaway zones for public and private entities. According to Ms. Kathryn Hile of the DPT, the advantages of the Temporary Towaway Zone Program will include (1) tighter controls over the extent and duration of temporary towaway zone usage, which would result in an increase in the availability of on-street parking and (2) increased enforcement of towaway zone regulations, which would result in improved signage, fewer towed vehicles and a reduction in the issuance of refunds to motorists for vehicles improperly towed due to inadequate signage.

As shown in the Attachment, the 1995-96 budget for the Temporary Towaway Zone Program, as previously approved by the Board of Supervisors, is \$325,514. The DPT is proposing to pay for the Temporary Towaway Zone Program by charging, public and private entities, a fee of \$2.00 per day for every 25 feet of temporary towaway zone requested. The proposed ordinance would, in part, amend the Traffic Code to authorize the DPT to establish this fee. The estimated annual revenue to be generated by this fee for 1995-96, is \$350,000. This revenue is reflected in the DPT's 1995-96 budget.

Comment: The DPT has requested that this item be continued to the Call of the Chair, in order to allow the DPT additional time to evaluate this legislation as it is currently drafted and to continue discussions with other City agencies which will be impacted by this ordinance.

Recommendation: Continue this item to the Call of the Chair as requested by the DPT.

DEPARTMENT OF PARKING AND TRAFFIC
TEMPORARY TOWAWAY ZONE SERVICE
BUDGET FY 1996-96
SUPPLEMENTAL FY 1994-95
DEPARTMENT OF PARKING AND TRAFFIC
TEMPORARY TOWAWAY ZONE SERVICE
BUDGET FY 1996-96
SUPPLEMENTAL FY 1994-95

Personnel:

Sub-Obj	Budget Category	Description	FTE	Salary	Unit	Per Empl	Existing	New		Total	Budget	
								On-Going	One-Time		Sub-Obj	Total
0010	Permanent Salaries	AA55 Field Survey Clerk (Step 2)	7.00	2,101	Month	16,808		117,659		117,659		
		1406 Sr. Clerk (Step 5)	1.00	2,627	Month	21,019		21,019		21,019		
		8214 Pkg Control Ctr (Step 5)	3.00	2,640	Month	21,120	63,360			63,360		
		AA56 Hearing Officer (Step 5)	1.00	3,748	Month	29,980	29,980			29,980		
		4321 Cashier (Step 4)	0.10	2,654	Month	21,232	2,123			2,123		
		1367 Special Asst VIII (Step 5)	0.05	4,130	Month	33,043	1,652			1,652		
		A100 Supv. PCO (Step 5)	0.20	4,252	Month	34,017	6,803			6,803		
		Salary Savings @ 6%					(5,196)	(6,934)	0	(12,130)	(6,934)	
0100	Overtime							6,669		6,669		
0600	Mandatory Fringe @ 25%						24,681	32,936		57,617		32,936

DEPARTMENT OF PARKING AND TRAFFIC
TEMPORARY TOWAWAY ZONE SERVICE
BUDGET FY 1995-96
SUPPLEMENTAL FY 1994-95
Operations

Sub-obj	Budget Category	Description	Qty	Cost	Unit	Months	New			Total	Budget	
							Existing	On-Going	One-Time		Sub-Obj	Total
123	Telephone	Cellular Service Cellular Equipment	3 3	80 250	month each	8		1,920	750	1,920 750		2,670
190	Non-Pers Services	Pagers Van Lease*	7 3	8 700	month month	8 6		448 12,600		448 12,600		13,048
130	Material/Supplies	Signs Barricades Meter Bags Fax Machine File Cabinets Printer Uniforms New Uniforms Replace Office/Comp Supplies	75,000 200 100 1 2 1 7 7	\$0.73 each \$16.80 each 10 each 250 each 400 each 800 each 525 per person 200 per person 1,750 per yr		8		36,500	3,380 1,000 1,000 250 800 800 3,675 1,400 1,167	36,500 3,380 1,000 250 800 800 3,675 1,400 1,167		49,972
220	Equipment	Vans Cushman Computer Sign Imprinter	3 3 1 1	16,000 each 11,500 each 3,900 each 1,500 each					48,000 34,500 3,900 1,500	48,000 34,500 3,900 1,500		87,900
310	Central Shops	Maintenance	3	30	month	0		0		0		0
316		Fuel Vans Cushmans		125 30	month month	8 8		1,000 240		1,000 240		1,000 240
350	Reproduction	Forms		500	per yr			335		335		335
Total							123,404	228,959	98,555	449,918	325,514	325,514

*Vans will be leased pending purchase of new vehicles

Months
Fringe Rate
Salary savings

8
25.00%
5.00%

Change resulting in delaying start date to 11/1
Revenue 350,000
Nov 1 24,486
Jul 1 525,000
(175,000)
New Exp 325,514
Variance 89,043
(64,557)

Item 6 - File 101-95-19

Department: Medical Examiner/Coroner

Item: Supplemental appropriation ordinance appropriating \$16,000 from the General Fund Reserve to purchase computer equipment.

Amount: \$16,000

Source of Funds: General Fund Reserve

Description: In 1994, the Medical Examiner received a payment from the Maternal and Child Health Division of the State Department of Public Health in the amount of \$113,111 for services to be performed by the Medical Examiner's Office. Such services consisted of certain State-mandated investigative procedures which the Medical Examiner must follow in cases involving Sudden Infant Death Syndrome (SIDS). The payment of \$113,111 from the State Department of Public Health was for services performed between July 1, 1990 and mid-1993 and was deposited in the General Fund (See Comment).

The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-94-106) which appropriated \$97,000 from the General Fund Reserve to purchase various equipment for the Medical Examiner's Office, thereby leaving a balance of \$16,111 of the State's \$113,111 payment in the General Fund Reserve. Such equipment included, among other items, computer equipment that would be used to convert from a Wang computer system to a Local Area Network (LAN) system in the Medical Examiner's Office. The purpose of the LAN is to enhance the statistical analysis and case-tracking abilities of the Medical Examiner.

Of the prior supplemental appropriation of \$97,000, \$30,000 was to be used to lease-purchase computers and related equipment and services for the LAN system for a one-year period. In addition, an additional \$15,000 would have been needed from another funding source to pay for one-time installation expenses. Thus, over the four-year estimated life of the computer equipment and software, the total cost to lease-purchase such equipment would have been a total of \$135,000 (\$30,000 x four years plus \$15,000 for initial installation).

However, according to Mr. Herb Holly of the Medical Examiner's Office, the Medical Examiner was advised by the

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BUDGET ANALYST

Chief Administrative Officer (CAO) and the Mayor's Budget Office that it would be more cost-effective to purchase the computer equipment rather than lease-purchasing such equipment. After consultation with the Controller's Information Services Division (ISD), the Medical Examiner now estimates that the one-time cost to purchase such computers and related equipment and services would be \$61,000, or \$74,000 less than the lease-purchase costs of \$135,000. This \$61,000 would provide for the purchase and installation of ten PCs, four printers, one server and related software.

The proposed supplemental appropriation of \$16,000 would be used to partially fund the purchase, installation and start-up expenses for the LAN system. Of the remaining \$45,000 cost (\$61,000 less \$16,000), \$30,000 would be funded through the prior supplemental appropriation (File 101-94-106) and \$15,000 would be funded with surplus funds carried forward from the Medical Examiner's FY 1994-95 budget.

Comment:

Mr. John Madden of the Controller's Office has previously reported that the \$113,111 payment made by the State for services performed by the Medical Examiner's Office is unrestricted and can be used for any type of City expenditure.

Recommendation: Approve the proposed supplemental appropriation ordinance.

Items 7 and 8 - Files 101-95-20 and 101-95-21

Department: San Francisco Police Department (SFPD)

Items:

- 1) Supplemental appropriation ordinance (File 101-95-20) appropriating \$1,800,000 of the 1987 Police Facilities Improvement Bond Interest Earnings for the construction of the Bayview Station at the Police Department for Fiscal Year 1995-96.
- 2) Supplemental appropriation ordinance (File 101-95-21) appropriating \$896,000 for the construction of the Bayview Police Station, consisting of \$571,000 from the General Fund Reserve and \$325,000 from rescinding materials and supplies and services of other departments for the Police Department for fiscal year 1995-96.

Amount: \$2,696,000

Source of Funds:	General Fund Reserve	\$571,000
	Rescinding Materials and Supplies included in SFPD's FY 1995-96 budget	75,000
	Rescinding Services of Other Depts. (DET Telecommunication) included in the SFPD's FY 1995-96 budget	250,000
	1987 Police Facilities Improvement Bond Interest Earnings	<u>1,800,000</u>
	Total	\$2,696,000

Description: The 1987 Police Facilities Improvement Bond Program which is currently underway is designed to modernize and seismically upgrade the City's ten district Police Stations. The proposed new Bayview Station, to be located at 201 Williams Avenue, is intended to replace the Potrero Station located on Third Street. The proposed supplemental appropriation ordinance would fund a portion of the construction and contingency costs associated with the proposed Bayview Station.

Specifically, the proposed \$2,696,000 in supplemental funds would be used to fund a portion of the \$4,349,000 construction contract costs to be performed by LTM Construction Co. Inc. (City-certified MBE firm). Total project costs are summarized in Comment #1 below. The prime contractor, LTM Construction Co Inc., an MBE firm, will receive approximately 47 percent of the contract. Other MBE subcontractors will receive a total of approximately 45 percent of the proposed contract. Therefore, the total

construction contract for the prime contractor and the subcontractors will provide 92 percent to MBE firms. The following is a list of the bidders and the amounts bid for this contract:

	<u>Amount Bid</u>
LTM Construction Co. Inc. (MBE)	\$4,349,000
Marinship Construction Services/ Oliver Construction Company/ Joint Venture (MBE)	4,350,000

As noted above, the lowest bid received by the DPW for the proposed Bayview Police Station is LTM Construction Co. Inc. Mr. Ed Lee of the Human Rights Commission (HRC) states that based upon a review of City-wide construction contracts utilized by the DPW, it was determined that African-American contractors were underutilized. Therefore, according to Mr. Lee, the HRC required that the construction contract be awarded to an MBE/African-American prime contractor (or a firm with an MBE/African-American majority-controlling interest, meaning that at least 51 percent of the firm must be owned by an MBE/African-American). In addition, Mr. Lee reports that the Bayview-Hunters Point community expressed an interest in utilizing an MBE/African-American contractor.

Mr. Lee reports that the reason that only two firms submitted bids on the project may be attributed to the HRC requirements. In addition, Mr. Lee indicates that some of the MBE/African-American firms may have joined to act as subcontractors on the project rather than bidding separately as prime contractors.

Comments:

1. The total estimated costs and the specific funding sources for this project, (including the subject request of \$2,696,000), totaling \$6,098,986, is as follows:

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Sources of Funds

Previously Appropriated 1987 Police Facilities Improvement Bonds	\$1,170,374
Release of Reserved 1987 Police Facilities Improvement Bond Funds (to be requested by the Police Department)	2,232,612
1987 Police Facilities Improvement Bond Interest Earnings (File 101-95-20-this request)	1,800,000
Rescinded SFPD FY 1995-96 Budgeted Funds (File 101-95-21-this request)	325,000
General Fund Reserve (File 101-95-21-this request)	<u>571,000</u>

Total Sources of Funds **\$6,098,986**

Uses of Funds

DPW Planning and Design	\$800,000
Construction Contract (including the \$2,696,000 as part of this subject request)	4,349,000
Contingencies (10 percent of the Construction contract amount)	434,900
DPW Construction Management	255,000
DPW Architectural/Engineering Services	\$200,000
Materials Testing	<u>60,086</u>

Total Uses of Funds **\$6,098,986**

2. The original total project cost estimate was \$4,485,600, and the current estimated total costs for the project are \$6,098,986, an increase of 36 percent. Of this amount, the original construction contract estimate was \$3,010,180, and the actual construction bid amount was \$4,349,000, an increase of \$1,338,820 or 44 percent. The project has been put out to bid four times, but the previous bids had to be rejected because the firms did not meet the HRC requirements (3/93), provide the proper bonding documents (7/93) or the bid exceeded budgeted funds (9/93). The following table summarizes the City's bid estimate and the low bid amount:

<u>Date</u>	<u>DPW Estimate</u>	<u>Low Bid Amount</u>
3/93	\$3,010,180	\$2,691,736
7/93	3,010,180	2,672,302
9/93	3,010,180	3,430,000
6/95	3,465,000	4,349,000 *

* Accepted bid.

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As previously noted, the HRC required that the contract be awarded to an MBE/African-American prime contractor (or a firm with an MBE/African-American majority-controlling interest), and therefore, only two firms submitted bids on the project. According to Mr. Mark Primeau of the Department of Public Works (DPW), the increase in costs on the construction contract over the original estimate is because higher costs will invariably result if there is less competition for the contract. In addition, Mr. Primeau notes that there are currently a large number of construction projects within the range of \$1 million to \$5 million and therefore, any project bid within this range will result in higher costs.

In addition, minor adjustments in the project work scope for changing Federal Disabled Access requirements and State Board of Corrections regulations increased the project costs. Ms. Lourdes Chan of the DPW reports that these requirements were not in place when the original construction contract was put out to bid in 1992.

3. As noted above, \$325,000 in funds for the proposed supplemental appropriation ordinance would come from rescinding funds within the Police Department's FY 1995-96 budget (consisting of \$75,000 in materials and supplies and \$250,000 in Services of Other Departments-DET Telecommunication). According to Lt. Alex Fagan of the Police Department, these rescinded funds were intended to be used to purchase office furniture and telephones for the proposed new Bayview Police Station. Lt. Fagan indicates that the Department proposes to reimburse these funds with revenues generated from the sale of surplus property (See Comment #4 below).

4. Lt. Fagan reports that the Police Department intends to hold a surplus property auction on November 14, 1995. Lt. Fagan reports that the Police Department proposes to use the proceeds from the sale of surplus property to reimburse the General Fund Reserve (in the amount of \$571,000) and the Rescinded funds from the Police Department's FY 1995-96 budget (in the amount of \$325,000). Mr. Steve Nelson of the Office of the Chief Administrative Officer (CAO) advises that after the General Fund Reserve and the Police Department's FY 1995-96 budget have been reimbursed, any balance of revenues received through the sale of surplus property would reimburse the 1987 Police Facilities Improvement Bond funds. The Controller's Office reports that a separate supplemental appropriation ordinance would be required to reimburse the Police Department's FY 1995-96 budget and the 1987 Police Department Facilities Improvement Bond funds.

5. Mr. Harry Quinn of the Real Estate Department reports that these surplus Police Department facilities include 1) the old Juvenile Station, located on 2475 Greenwich Street, 2) the old

Mission Street Police Station, located on 1240 Valencia Street, and 3) a warehouse located on 3433 17th Street. Mr. Quinn reports that based upon the minimum bid amounts that will be requested, the proceeds from the proposed sale of surplus property are estimated at approximately \$1.2 million.

6. Mr. Quinn also reports that two pending pieces of legislation regarding the sale of surplus property will be presented to the Board of Supervisors: 1) an ordinance authorizing the sale of surplus City-owned property and 2) a resolution approving the sale and the award amount of the surplus properties after a public auction has been completed.

7. An Amendment of the Whole (File 101-95-21) has been prepared by the Controller's Office specifying that revenues received through the sale of surplus property will be used to reimburse the General Fund Reserve. This report reflects the Amendment of the Whole.

Recommendations: Approve the proposed ordinances.

Item 9 - File 23-95-5

Department: Controller's Office

Item: Resolution waiving the statute of limitations with respect to payment of certain warrants of the City and County of San Francisco, in the amount of \$500.00, a legal obligation of the City and County of San Francisco.

Description: According to Section 10.182 of the Administrative Code, a warrant issued by the City becomes void one year from the date issued. The payee of the warrant may present the warrant to the Controller for payment, up to three years from the date it was rendered invalid or four years from the original date. After that point, the Controller may no longer pay such a warrant because the statute of limitations has expired, unless approval is obtained from the Board of Supervisors.

The proposed resolution would waive the statute of limitations and would authorize the Controller's Office to replace a warrant issued to Mr. Delmas Allen, a current employee of the Municipal Railway, in the following amount:

<u>Payee</u>	<u>Warrant No.</u>	<u>Date Issued</u>	<u>Amount</u>
Delmas Allen	550-2805798	11/27/89	\$500.00

Comments: According to Mr. Honorato Layug of the Controller's Office, the warrant in the amount of \$500.00 was issued to Mr. Delmas Allen by the Health Service System. Mr. Layug further reports that the above listed warrant was misplaced, never cashed by the payee, and was subsequently cancelled by the Controller's Office. Mr. Layug advises that there are sufficient funds in the Warrants Account of the FY 1995-96 General City Responsibilities Budget to replace the subject warrant.

Recommendation: Approve the proposed resolution.

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Item 10 - File 7-95-6

Note: This item was continued by the Budget Committee at its meeting of September 13, 1995.

1. This item is a hearing to consider the Municipal Railway's staffing, funding levels, wages and benefits over the last five years. Reports have been requested from the Director of Human Resources, the Controller, the Municipal Railway management, the Transport Workers Union leadership and the Budget Analyst.

2. During the last five years, between Fiscal Year 1991-92 and Fiscal Year 1995-96, the staffing of the Municipal Railway has increased from by 241 positions, or approximately 7.2 percent, from 3,334 position to 3,575 positions. However, this increase of 241 positions includes 274 positions which were transferred to the Municipal Railway from the Public Utilities Commission budget in Fiscal Year 1994-95 in order to implement Proposition M which created the new Transportation Commission. Also 58 transit power positions were transferred from the Hetch Hetchy budget to the Municipal Railway budget in Fiscal Year 1993-94. Therefore, without the transfer of the 332 (274 plus 58) positions from the Public Utilities Commission and Hetch Hetchy to the Municipal Railway, the Municipal Railway has experienced a decrease of 91 positions (332 transferred positions less 241 position increases). Attachment 1 to this report summarizes the positions listed in each year's Annual Salary Ordinance.

3. The 241 position increase in the Annual Salary Ordinance From Fiscal Year 1991-92 includes an increase in Equipment Maintenance staffing of 27 positions from 1,080 to 1,107. Administrative positions have increased by 139 positions, from 63 positions to 202 positions, mostly due to transfer of positions from the Public Utilities Commission. The increase in Municipal Railway positions also includes 133 positions in the Capital Projects budget which were previously in the Public Utilities Commission, Utilities Engineering Bureau budget. Field Operations staffing has been reduced by 58 positions from 358 to 300. This reduction of 58 positions includes 39 Transit Supervisor and Transit Manager positions and 7 clerical positions. Platform Operators have remained the same at 1,833 positions.

4. During the last five years, from Fiscal Year 1991-92 through Fiscal Year 1995-96, the budget of the Municipal Railway has increased by \$3,256,961 or 1.15% from \$281,989,757 to \$285,246,718. Attachment 2 to this report summarizes the budgeted appropriations, by type of account, as approved by the Board of Supervisors in each year's Annual Appropriation Ordinance.

5. The Controller's Office has prepared a schedule (Attachment 3) showing revised budgets, actual expenditures and equivalent platform hours for the five year period.

6. The Department of Human Resources has provided a letter (Attachment 4) which shows rates of pay for Platform Operators for the five year period.

ANALYSIS OF MUNICIPAL RAILWAY STAFFING

	<u>FY 1991-92</u>	<u>FY 1992-93</u>	<u>FY 1993-94</u>	<u>FY 1994-95</u>	<u>FY 1995-96</u>	Increase (Decrease) From FY 1991-92 To FY 1995-96
Field Operations (Dispatchers Transit Line Coordinators, etc.)	358	317	315	301	300	-58
Platform Operators	1,833	1,833	1,833	1,833	1,833	0
Administration (Including Director's Office)	63	108	49	195	202	139
Equipment Maintenance	1,080	1,064	1,101 *	1,108	1,107	27
Capital Projects	—	—	—	141 **	133 **	133
Totals	3,334	3,322	3,298	3,578	3,575	241
Percent Increase (Decrease)		-0.36%	-0.72%	8.49%	-0.08%	

* Includes 58 transit power positions transferred from Hetch Hetchy.

** Previously included in the Public Utilities Commission, Utilities Engineering Bureau Budget.

Notes: 1. The source of this data is from the approved Annual Salary Ordinances.

2. The position counts do not include administrative and engineering staff assigned to the Public Utilities Commission (PUC) during FY 1991-92, FY 1992-93 and FY 1993-94. 58 transit power positions were transferred from the Hetch Hetchy budget in FY 1993-94. 274 positions were transferred from the PUC to the Municipal Railway in FY 1994-95. Excluding such transfers, there was a decrease of 91 positions (332 transfers less the 241 increases shown above).

ANALYSIS OF MUNICIPAL RAILWAY BUDGETED EXPENDITURES

	<u>FY 1991-92</u>	<u>FY 1992-93</u>	<u>FY 1993-94</u>	<u>FY 1994-95</u>	<u>FY 1995-96</u>
Personal Services	\$152,141,293	\$155,111,449	\$153,204,196	\$163,956,395	\$163,492,189
Mandatory Fringe Benefits	45,062,964	46,681,503	40,566,774	40,866,296	42,961,910
Non Personal Services	23,005,087	25,447,610	30,232,936	33,025,416	33,838,200
Materials and Supplies	15,596,380	15,583,167	15,961,528	17,118,365	19,245,018
Services of Other Departments	28,912,587	25,712,904	25,650,498	16,316,863	17,434,024
Transit Impact Fund	2,554,658	15,370,911	5,755,901	4,530,892	4,636,521
Capital Outlay	2,991,535	2,914,720	2,732,600	2,067,830	2,001,650
Facilities Maintenance	11,630,000	4,171,600	373,900	327,800	163,900
Mandatory Drug Testing	0	0	0	548,052	917,036
Transit Shelter Program	95,253	97,598	111,299	114,813	114,597
Other Costs		<u>1,183,901</u>	<u>0</u>	<u>75,312</u>	<u>441,673</u>
Totals	\$281,989,757	\$292,275,363	\$274,589,632	\$278,948,034	\$285,246,718
Percent Increase (Decrease)		3.65%	-6.05%	1.59%	2.26%

Notes: 1. The source of this data is the approved Annual Appropriation Ordinances.

2. Most administrative and engineering staff were budgeted in Services of Other Departments (Public Utilities Commission) during Fiscal Years 1991-92, 1992-93 and 1993-94.

Municipal Railway - Five-Year Overview
 Controller's Office
 9/12/95

	1991-92 Revised	1992-93 Revised	1993-94 Revised	1994-95 Revised	1995-96 Budget	% change 91-92 to 95-96
Total Budget	282,669,757	294,775,363	283,411,859	284,124,034	285,246,718	0.91%
General Fund/Parking Subsidy	115,864,188	106,702,291	99,493,041	112,051,185	112,565,355	-2.85%

Other Relevant Information:

Spending Category/Year	1991-92 Actual	1992-93 Actual	1993-94 Actual	1994-95 Actual	1995-96 Budget	% change 91-92 to 95-96
Platform Salaries	84,100,518	84,558,173	86,349,493	87,121,214	86,570,832	2.94%
Claims	7,735,757	7,477,219	9,477,219	9,050,749	8,987,000	16.17%
Materials and Supplies	15,447,400	15,354,558	18,079,677	16,607,836	19,288,218	24.73%
Workers Compensation	6,891,672	6,691,817	7,536,427	9,448,394	7,471,789	8.42%
Equivalent Platform Hours	4,792,052	4,702,902	4,802,530	4,716,214	4,659,356	-2.77%
Platform Salary % Increases		2.45%	0.00%	2.74%	0.58%	5.87%



Department of Human Resources

WENDELL L. PRYOR,
HUMAN RESOURCES DIRECTOR

AMENDED

MEMORANDUM

DATE: September 14, 1995

TO: Wendell L. Pryor

FROM: Tanya A. Smith *TG*

SUBJECT: Transit Operator Increases for the Period of Fiscal Year 1991/92 thru 1995/96

As per your request, listed below are the wage rate increases and benefit information for transit operators from fiscal year 1991-92 through 1995-96.

FIVE YEAR WAGE & BENEFIT HISTORY

FISCAL YEAR	TRAINEE RATE	TRANSIT OPERATOR RATE	PERCENTAGE INCREASE PER FISCAL YEAR	TRUST FUND CONTRIBUTION
1991-92	11.0600	17.5500		11,105,000
1992-93	11.3300	17.9850	2.4%	11,600,000
1993-94	11.3300 *	17.9850 *	0.0%	12,150,000
1994-95 **	11.5900	18.3900	2.2%	12,219,863
	11.7100	18.5800	1.0%	
1995-96	11.7100 *	18.5800 *	0.0%	13,850,000
			TOTAL	60,924,863

NOTES: *Wages Frozen, ** Two rate increases in fiscal year. 1995-96 Trust fund contribution rate is a projected amount.

Item 11 - File 100-95-8

1. This item is a hearing to consider ways to increase efficiency and reduce costs in the City's public works, transportation and commerce departments, (Department of Public Works (DPW), Building Inspection Commission, Airport, Port, Department of Parking and Traffic, Department of Electricity and Telecommunications, Public Utilities Commission (PUC), PUC Light, Heat and Power, Hetch Hetchy Project, Water Department, Municipal Railway, and the San Francisco Redevelopment Agency).

2. The subject City departments provided the following information regarding actions taken as well as future plans for increasing departmental efficiencies and/or reducing departmental costs.

Department of Public Works (DPW)

Attachment I is a memo from Mr. John Cribbs, Director of the Department of Public Works, which outlines examples of some of DPW's prior actions and plans for future actions to increase departmental efficiencies and reduce City costs.

Building Inspection Commission

Ms. Paulette Hooley, of the Department of Building Inspection, advises that the Department will submit a memo to the Budget Committee prior to the Budget Committee meeting on September 27, 1995, which outlines actions the Department has taken or is planning to take to increase departmental efficiencies. Ms. Hooley states that a representative of the Department will be present at the subject Committee meeting to answer any questions which the Committee might have regarding this subject matter.

Airports Commission

In accordance with Charter Section 2.400, the Board of Supervisors has directed the Budget Analyst to conduct an audit of the San Francisco International Airport in order to independently determine (a) the amount, if any, of Airport surplus funds and (b) the amount of monies which the City's General Fund has contributed to the Airport, since the inception of San Francisco International Airport in 1927. The Budget Analyst initiated the Airport audit in early August and expects to complete the audit by November of 1995.

Port of San Francisco

In the past 1 1/2 years, the Port has reorganized and reduced staff by 39 positions from 245 to 206. The expenditure budget has been reduced by \$4,692,392 from \$36,551,921 in FY 1993-94 to \$31,859,529 in FY 1995-96, a reduction of approximately 12.8 percent. The Department's restructuring has provided efficiencies by eliminating non-essential functions and by consolidating the remaining functions. However, these reductions have no impact on the General Fund.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
September 27, 1995 Budget Committee Meeting

The Port refinanced its outstanding revenue bonds in June of 1994 saving more than \$10 million over the remaining fifteen years that the bonds are outstanding. After two years of losses, the Port expects to report a profit for 1995-96, according to Mr. Ben Kutnick of the Port.

Department of Parking and Traffic (DPT)

Attachment II is a memo, prepared by Ms. Kathryn Hile of DPT, which outlines the actions and plans which DPT is currently implementing for purposes of improving operational efficiencies and reducing costs. Ms. Hile advises that a Department representative will be in attendance at the Budget Committee meeting on September 27, 1995 to answer any questions which the Committee might have regarding this subject matter.

Department of Electricity and Telecommunications (DET)

Mr. Dan McFarland, General Manager of the Department of Electricity and Telecommunications, reports that the DET implemented several actions which reduced costs to the General Fund in FY 1994-95, including (1) negotiating Pacific Bell Business Call Discounts, which reduced General Fund expenditures by \$60,000 annually and (2) performing cable and wire work in-house, as opposed to contracting out, at all City locations at an annual savings of \$180,000. Mr. McFarland also advises that in FY 1994-95, the Department negotiated a Pacific Bell Pay Telephone Contract, which increased General Fund revenues by \$150,000 annually. Additionally, Mr. McFarland reports that the DET is planning or has begun to implement a number of actions to increase efficiencies and/or reduce departmental costs, some of which include: (1) competitively bidding the City's Telecommunications long distance, service area and local usage for a projected savings of \$1,000,000 per year, (2) competitively bidding Telecommunications equipment and services, for an estimated savings of \$200,000 per year over the current contract, (3) performing a study and analysis of the Water Department Radio System, which could result in an estimated savings of \$100,000, (4) cross-training of DET technical staff resulting in increased productivity, and (5) establishing a new work order accounting system to (a) improve chargebacks to City departments and management information for department managers and (b) allow DET to more effectively control costs.

Public Utilities Commission (Including Hetch Hetchy, the Water Department, and the Bureau of Light, Heat and Power)

The Hetch Hetchy FY 1995-96 transfer to the General Fund is \$30,165,393 and the transfer to MUNI is \$7,537,880, for a total of \$37,703,273. In FY 1994-95, \$25,462,120 was transferred to the General Fund and \$7,537,880 was transferred to the MUNI, for a total of \$33,000,000. This has resulted in increased revenues to the General Fund of \$4,703,273 more in FY 1995-96 as compared to FY 1994-95.

Memo to Budget Committee
September 27, 1995 Budget Committee Meeting

Mr. Anson Moran, General Manager of the Public Utilities Commission (PUC), advises that he will attend the Budget Committee meeting of September 28, 1995, to inform the Committee about actions and plans the PUC is currently implementing or considering to improve operational efficiencies or achieve savings, and to answer any questions which the Committee might have.

Public Transportation Commission - Municipal Railway (MUNI)

Attachment III is a memo, prepared by the Department, which outlines the areas which MUNI is considering for purposes of improving operational efficiencies and reducing costs. Mr. Fred Howell of MUNI advises that Mr. Philip Adams, the Director of Public Transportation, will be in attendance at the Budget Committee meeting on September 27, 1995 to answer any questions which the Committee might have regarding this subject matter.

Redevelopment Agency

Attachment IV is a memo, prepared by Mr. Bob Gamble of the Redevelopment Agency (SFRA), which outlines the plans which SFRA is currently implementing for purposes of increasing efficiency and effectiveness and obtaining maximum use of available grant funds. Mr. Gamble advises that he will be in attendance at the Budget Committee meeting on September 27, 1995 to answer any questions which the Committee might have regarding this subject matter.



September 22, 1995

TO: Sandy Brown-Richardson, Budget Analyst, Board of Supervisors

FROM: John E. Cribbs, Director of Public Works

SUBJECT: Budget Hearings on Increasing Efficiencies and Reducing Costs

Thank you for the opportunity to report on the Department of Public Works' planned efforts to increase efficiencies and reduce City costs. As you know, DPW is a large department with many different functions. This memorandum very briefly summarizes examples of our efforts to improve efficiencies in five major program areas.

1. CLEAN WATER PROGRAM

The Clean Water Program is financed almost entirely from the sewer service charge, which is paid by residential and commercial customers as well as several special districts serviced by the City. The Bureaus of Water Pollution Control and Street and Sewer Repair have made a number of changes in operations that have resulted in past savings. The bureaus continue to pursue efficiency and cost-reduction measures.

A. Past Budget Savings

- ▶ Maintained the same staffing level among Stationary Engineers (192) while expanding the operations of the wastewater treatment system -- activated the Oceanside Water Pollution Control Plant in 1993; increased wet weather capacity by 70 million gallons per day at the Southeast plant; added three major pumping stations.
- ▶ Improved process engineering for sludge dewatering to reduce water content, thereby lowering sludge hauling and disposal costs (estimated savings of more than \$500,000 per year).
- ▶ Lowered disinfection costs by negotiating a less stringent coliform requirement for treated effluent as part of discharge requirements established by the State Water Resources Control Board (estimated savings of more than \$800,000 per year).

Budget Analyst
September 22, 1995
Page 2

- ▶ In 1992 and 1994 refinanced the majority of the outstanding sewer revenue bonds to take advantage of lower borrowing rates and to restructure the debt service repayment schedule; estimated total debt service savings equal \$30 million.
- ▶ Reduced the impact on rate payers of the capital program by obtaining a \$40 million federal grant for the Richmond Transport project.

B. Future Savings and Efficiency Plans

- ▶ Renegotiate the sludge hauling contract to replace the minimum monthly charge provisions with a ton-mile charge to more accurately reflect service levels and provide greater flexibility in disposal options, reducing hauling costs (estimated savings \$200,000 annually).
- ▶ Competitively bid sludge disposal and use of sludge as an "alternative daily cover material" in landfills, which has a beneficial use and therefore a lower cost (estimated savings \$1 million annually).
- ▶ Integrate sewer repairs with street resurfacing projects in particular geographic areas, creating economies of scale and accomplishing more work in less time.
- ▶ Replace the existing computer control system at the Southeast plant with a system that will control and monitor all Bayside wastewater facilities; when fully operational, the system will allow us to reduce staffing levels for monitoring and control.
- ▶ Continue to look for opportunities to modify labor contracts to eliminate unnecessary and expensive provisions. For example, we have eliminated sewage premiums for employees represented by Local 21 and the trades coalition and will negotiate to eliminate the premiums in other contracts as they are renegotiated.
- ▶ Continue to work with federal and state agencies and other organizations to ensure that in the reauthorization of the Clean Water Act and associated appropriations, water recycling projects remain eligible for grants and/or low-cost loans from the State Revolving Fund.

2. STREET MAINTENANCE AND REPAIR

Funding for street maintenance and repair activities currently comes from the gas tax and road fund, the sales tax, and from various fees. Listed below are examples of efforts completed or under way within the Bureau of Street-Use and Mapping, the Bureau of Street Environmental Services, and the Bureau of Street and Sewer Repair to improve efficiencies and reduce costs.

Budget Analyst
September 22, 1995
Page 3

A. Past Budget Savings

- ▶ Established and expanded the use of volunteers and other "free" labor sources (such as Workfare, SWAP, and Mayor's youth programs) to provide litter and graffiti removal, thereby increasing service levels at no additional cost.
- ▶ Used \$2 million in local bond and sales tax funds to leverage more than \$15 million in state and federal grants for street resurfacing projects since 1990.

B. Future Savings and Efficiency Plans

- ▶ Create a new series of classifications for Street Environmental Service workers which will increase productivity by reducing labor costs and allowing work currently done by two classes (gardeners and laborers) to be assigned and completed more efficiently by a single class.
- ▶ Continue to expand the Broom and Brush Brigade (currently 450 volunteers) by 20% each year. This expansion helps keep blocks free of litter and graffiti by providing more service at no additional cost.
- ▶ Improve the productivity of street paving crews by rescheduling the work week to four 10-hour days rather than five 8-hour days, thereby reducing start-up and shut-down times.
- ▶ Explore the opportunity to sell asphalt from the City's plant to small private contractors, thereby increasing the efficiency of the plant operations and lowering the unit cost of asphalt to the City.
- ▶ Rewrite the Subdivision Code to make it consistent with the State Map Act and to streamline the various processes covered by the code, thereby simplifying and eliminating unnecessary procedures; projected reduction in fees of 5%.
- ▶ Continue to maximize state and federal grant funding for street resurfacing, sidewalk and stairway repair, and curb cuts for disabled access.
- ▶ Propose a new utility excavation fee in Article 8 of the Public Works Code. A recent study conducted by San Francisco State University documented that utility cuts significantly reduce pavement life. The fee could recover up to \$6 million annually to offset the cost of paving streets.

Budget Analyst
September 22, 1995
Page 4

3. BUILDING MAINTENANCE AND REPAIR

Building maintenance and repair activities are supported primarily from work orders within and outside the Department and from general funds. The Bureau of Building Repair has identified the following past and planned activities to reduce costs.

A. Past Budget Savings

- ▶ Entered into a contract with San Francisco Thermal to provide steam for City buildings in the Civic Center; this has allowed us to secure the City boiler plant and avoid expensive repair and replacement costs.
- ▶ Reduced the tax burden of the 1990 Earthquake Safety Bonds from \$332 million to \$210 million by obtaining over \$122 million in FEMA and state OES grants and reimbursements for seismic reinforcement and hazard mitigation programs.

B. Future Savings and Efficiency Plans

- ▶ Create new apprentice craft classifications; recruit and hire apprentice craft workers to replace higher cost craft positions.
- ▶ Computerize work order processing in the craft shops, which will free supervisors to provide more supervision of crews, thereby increasing work efficiency and quality.
- ▶ Convert flushometers to low flow in all City facilities to conserve water and reduce costs.
- ▶ Upgrade the steam distribution system for Civic Center buildings in order to save money by reducing heat loss.

4. CAPITAL PROGRAMS

The Bureaus of Engineering, Construction Management, and Architecture continue to conduct activities to streamline operations and improve the quality of service provided within the Department and to other City agencies. Listed below are completed projects as well as on-going and planned activities to increase efficiencies and reduce costs.

A. Past Budget Savings

- ▶ Increased use of automated systems (including Local Area Networks (LANs) and Computer Aided Design (CAD) systems) to facilitate more efficient information

Budget Analyst
September 22, 1995
Page 5

exchange and to standardize designs, thereby reducing conflicts on plans and avoiding change orders and unanticipated expenses.

- ▶ Expanded the use of "value engineering" to identify potential savings on projects and minimize project costs.
- ▶ Instituted the use of "partnering" on large projects to provide high level management attention to emerging problems so that they can be resolved quickly and efficiently.
- ▶ Instituted a Quality Assurance Program in the Bureau of Architecture to spot problems and improve the delivery of projects to client departments in a cost-effective manner.

B. Future Savings and Efficiency Plans

- ▶ Develop GIS base maps for the City which will provide the basis for more efficient and effective public services by those departments that deal with property and property attributes and the public.
- ▶ Evaluate the use of "design-build" for projects with severe time constraints, such as those under court order.
- ▶ Utilize more technicians in lieu of professional staff for more routine, simple design tasks, thereby lowering labor costs and making more effective use of current staff.
- ▶ Invest more in the design phase investigations of existing facilities in order to minimize unforeseen conditions and changes, thereby reducing costs in the construction phase.

5. ADMINISTRATION

There are several areas common to all bureaus where there are opportunities for efficiencies and improvements. Several examples of department-wide savings are summarized below. We are actively engaged in projects to reduce costs through automation of administrative and finance functions and expanded and improved health and safety programs.

A. Past Budget Savings

- ▶ Held administration and financing staffing to the same level it was six years ago while absorbing additional work associated with a threefold increase in funding

Budget Analyst
September 22, 1995
Page 6

for capital programs, installation of a department-wide Local Area Network, and a variety of new administrative requirements.

- ▶ Eliminated or downgraded 50 management positions from DPW's budget over the past three years.
- ▶ Reduced DPW's motor vehicle accident rate and recordable injury rate by 33% since 1988 when a formal Health and Safety Program was instituted in the Department; reduced lost time from injuries by over 50% since we started working with the San Francisco General Hospital treatment room in April 1995.

B. Future Savings and Efficiency Plans

- ▶ Continue a multi-year automation project to streamline payroll and accounting transaction processing to eliminate redundant data entry. We have already eliminated two of four data entry steps in the payroll process and are pilot testing a system to reduce a third step. Full implementation could save over \$100,000 annually in contract data entry costs.
- ▶ Continue to reduce employee absences due to injury and illness through improved case management practices, more aggressive claims review and investigation, and return-to-work programs assigning modified duties to temporarily disabled employees.

I hope the brief descriptions we have provided will give you an overview of the number and variety of steps we have taken and are continuing to pursue to increase efficiency and reduce costs in the Department of Public Works. Members of my staff will be available at the Budget Committee meeting on September 27 to answer questions and discuss these projects in more detail with the Committee.

cc: William L. Lee, Chief Administrative Officer



25 VAN NESS AVENUE, SUITE 410
CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA 94102
554-PARK

CITY AND COUNTY OF SAN FRANCISCO

FRANK M. JORDAN, MAYOR
JOHN E. NEWLIN, EXECUTIVE DIRECTOR

MEMORANDUM

TO: Supervisor Tom Hsieh, Chair
Board of Supervisors Budget Committee

FROM: Kathryn Hild *KH*
Budget and Finance Director

SUBJ: Department Efforts to Improve Efficiency and Reduce Costs

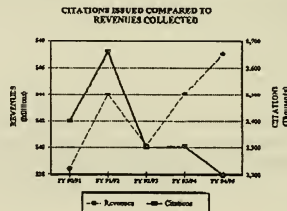
DATE: September 21, 1995

From its inception in 1990 the Department of Parking and Traffic has made it a priority to improve the efficiency of its operations and to reduce costs as much as possible. We believe we have successfully accomplished many objectives in working toward these goals. Following are some examples of our recent achievements and our future projects.

Since assuming responsibility for the processing and adjudication of parking citations in November 1993, DPT has increased the amount collected per citation by 23% from \$17.45 to \$21.39. Much of this increase can be attributed to policy and procedural changes which emphasize to the public the need to responsibly handle parking citations in a timely way.

The graph illustrates that while citation issuance decreased, revenues increased. Specifically, over the last four years, the number of citations issued annually has decreased 17% due to decreased staffing levels, more emphasis on traffic control and improved response to neighborhood complaints, and better compliance on the part of the public due to increased fines and more diligent enforcement of parking regulations. During this same time period, fine revenues increased 7%.

In our continuing attempts to improve on our collection efforts, we are currently in the process of implementing a contract to pursue the payment of fines issued on vehicles registered out-of-state which are currently uncollectible.



Memo: Board of Supervisors Budget Committee
Re: Efficiency Measures
September 21, 1995
Page 2 of 2

We are also implementing a Pay-By-Phone system at no cost to the City which will make it easier for citizens to pay all outstanding citations by using a credit card and a telephone.

In the Enforcement Division we will begin to use handheld, computerized ticket writers in the second half of this year. These devices will improve efficiency on many levels including the elimination of data entry errors as well as the cost of data entry services; a decrease in the number of errors made by parking control officers that result in an invalid ticket; a reduction in the cost of printing citations; and improved collections due to the ability to more readily identify scofflaw vehicles with 5 or more outstanding tickets.

In the last two years we have been working to free parking control officers from administrative duties allowing them to return to full outside duty. We have accomplished this by automating various functions and restructuring and reassigning personnel. We are continuing our efforts in this area and expect to fully achieve our goal of having all full duty parking control officers assigned to enforcement duties by the end of this fiscal year.

cc: Supervisor Barbara Kaufman
Supervisor Sue Bierman
John Newlin
Harvey Rose
Jocelyn Kane



**PUBLIC TRANSPORTATION COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**



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Commissioner

FRANK M. JORDAN
Mayor

PHILIP H. ADAMS
Director of Public Transportation

ROBERTA BOOMER
Commission Secretary

September 22, 1995

The Honorable Tom Hsieh, Chair
Board Budget Committee
S.F. Board of Supervisors
Room 308, War Memorial Building
401 Van Ness Avenue
San Francisco, CA 94102

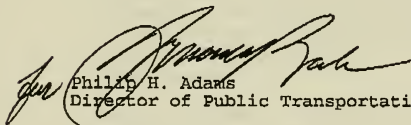
Re: September 27 Budget Committee Hearing

Dear Supervisor Hsieh:

We are pleased to participate in the Budget Committee hearing next week regarding efficiencies and cost-reduction measures. Our approach to this issue is one of investment. We believe that investing in our labor force and work environment will yield returns that improve Muni's service and satisfy its passengers.

Attached is an outline of the areas targeted for this investment. We will discuss them in more detail next Wednesday. Thank you again for the opportunity to address this issue.

Sincerely,


Philip H. Adams
Director of Public Transportation

Attachment

PHA:RC:bf

INVESTMENT STRATEGY

Public Transportation Department/Municipal Railway City and County of San Francisco

Our recommendations are consistent with the best practices in private industry and public sector organizations that purposefully invest resources to improve operations. We strongly support this approach and further suggest the topics below for serious consideration.

- **Legislative Support**
 - Pursue additional funding of all types
- **Management and Operations Training**
 - Improve employee effectiveness
 - Increase customer satisfaction
 - Reduce employee cost
- **Timely Filling of Vacancies**
 - Reduce the use of and reliance on overtime
 - Reduce the level of employee stress
- **Increased Security**
 - Return of lost riders
 - Reduce the number of assaults
 - Additional fare collection
- **Internal Auditing**
 - Early detection of problem areas
 - Strengthen internal controls
- **Risk Management Program**
 - Increase supervisory awareness
 - Reduce the number of accidents
 - More timely settlements of claims
- **Health and Safety Management**
 - Reduce the number and types of injuries
 - Improve the overall work environment
 - Increase employee productivity
- **Increased level of automation**
 - Improve efficiency
 - Better use of personnel resources
- **Direct Exchange Units (DEU)**
 - Generate savings in materials and supplies
 - Improve quality assurance and service

SFPTC/Muni
Investment Strategy
Page 2

- **Develop a Performance Monitoring Unit**
 - Monitor plans, objectives and performance
 - Help establish meaningful standards
 - Enhance performance
- **Improve quality of life**
 - Increase employee morale and efficiency
 - Increase productivity
 - Improve service delivery
- **Improve Service Marketing**
 - Increase the number of customers
 - Increase farebox revenues
- **Pay-as-you-go Special Services**
 - Increase revenues
- **Employee Incentive Program**
 - Rewards for suggestions that improve efficiency
 - Ultimately improve service to the public
- **Customer Sensitivity Program**
 - Increase in number of passenger commendations
 - Reduction in number of complaints
 - Reduced number of assaults

San Francisco
Redevelopment Agency770 Golden Gate Avenue
San Francisco, CA 94102415.749.2400
TTY 415.749.2500FRANK M. JORDAN, Mayor
JOHN HENRY KOUBEK, President
MANUEL A. ROSARIO, Vice President
LARRY KING
DARYL K. KILPATRICK
CYNTHIA CHOI-DING
CLARENCE R. STARR
ROBIN Y. YEEClifford W. Grubbs, Executive Director
107-26595-247

September 19, 1995

MEMORANDUM

TO: Peg Stephenson

FROM: Bob Gamble *RG*

SUBJECT: Budget Committee Hearing on Efficiencies and Resource Management

One of the fundamental goals of the Redevelopment Agency is the generation of increased tax revenues for the City. The redevelopment process essentially offers local government an investment vehicle whereby investments made today can create a stream of revenue in the future as well as improvements in the quality of life and increased economic activity.

AGENCY IN TRANSITION

At this point in history the Agency is completing a number of older project areas while initiating a series of new ones which will yield future revenues and other benefits for the City. The older projects include Yerba Buena Center, Western Addition, Hunter's Point and India Basin. The new projects include Treasure Island, Hunter's Point Shipyard, South Bayshore, Transbay Terminal, and, pending Board of Supervisor approval, Mid-Market. As the Agency approaches these new areas, it must attempt to minimize the time and cost of the planning processes in order to achieve the goal of increasing the assessed valuation of these areas as quickly as possible. Another goal of the planning process in these areas will be to permit sufficient flexibility in the plans so that the Agency and market can respond quickly and appropriately to real estate opportunities in the areas. Given these objectives, however, it is still important to realize that the planning process for these areas is quite complex, and extensive environmental review will be necessary. The Agency works closely with the Department of Planning to insure that there is not duplication of effort during the survey and environmental review process.

CAPITAL INVESTMENT DOWN, THEN UP

As the plans for the new areas are developed over the next two to three years, a significant portion of the Agency's existing staff will be refocused on these efforts, and it is not likely that large amounts of debt will be issued for capital projects, in contrast to the last six years. This trend will tend to reduce the rate of increase in the Agency's utilization of tax increment (and therefore, General fund) money. During this period, the Agency will continue to make efforts to utilize more pay-as-you-go tax increment resources rather than relying on debt proceeds, in accordance with the Budget Analyst's recommendation of 1992. This is particularly appropriate since there will be a lower need for capital improvements.

Peg Stephenson
Page Two

107-26595-247
September 19, 1995

Beyond this three year horizon, there will be a need for significant capital investment in new projects as the redevelopment plans enter their implementation phases. Some of the projects may require relatively large capital investments as "pump primers" in order to stimulate private investment; others areas may require relatively small infusions. At this stage, it will be very important that the City and the Agency select public investments which are most likely to generate a rapid return of benefits in the form of increased assessed valuation, increased taxes, as well as quality of life benefits.

GRANTS & PARTNERSHIPS

During the three year planning period the Agency will continue to attempt to maximize the use of federal and any other available grant funds to reduce reliance on local funds. This strategy has been most helpful in the Hunter's Point Shipyard and Treasure Island, where grants from the Departments of Defense and Commerce have covered the bulk of the planning costs. Additionally, with respect to the military bases, every effort will be made to maximize revenues which may be achieved from interim leases, as has been done with film studio utilization of property on both bases.

On other projects, the Agency will attempt to establish partnerships with appropriate public or private parties who have interests in the areas in order to share the costs of plan development. This has been done in the Transbay area, where Caltrans, the largest landholder in the area, has contributed over \$300,000 to ongoing efforts to analyze replacement of the terminal and planning of the surrounding area.

HOUSING

The Agency has a long-standing commitment to the development of affordable housing city-wide. It has provided by far the largest local source of funds for this purpose over the last five years. The decline of non-local sources of funding has placed increasing financial pressure on the Agency to continue its work in this arena. Over the next several years, the City will have to determine whether it wishes the Agency to continue in this role alone, or whether it wishes to supplement the Agency's efforts with additional sources of local revenue. It is clear that, despite the investments of the Agency in this area, there is still a very large unmet need. It is also important to note that this portion of the Agency's investments does not generate a direct return in terms of increased property tax revenue. It does, however, create a benefit in terms of quality of life and increased economic activity by mitigating the extremely high cost of housing for a portion of the populace.

One particular aspect of the Agency's affordable housing program which deserves separate comment is the HOPWA program. For the last two years, this Federal program has provided over \$20 million for its focused efforts in the City. The future funding of this program is seriously in doubt, however, beyond the upcoming federal fiscal year.

Peg Stephenson
Page Three

107-26595-247
September 19, 1995

ECONOMIC DEVELOPMENT

Another area of responsibility where the Agency has recently been assigned a broader role is that of economic development. These functions were moved from the Mayor's office two years ago and have been consolidated with the Agency's existing resources. As a result of this consolidation, the Agency has begun to play a larger role in efforts to retain and attract major employers to the City. Recent examples of these efforts have included Colossal Pictures, BART and the PacBell directory group. While these efforts clearly have a significant and positive impact on City economic activity, employment opportunities, and sales and business tax revenues, there is no immediate revenue available to the Agency to pay for these efforts. Moreover, since they are often focused outside of project areas, it is frequently not possible to pay for them with tax increment revenue. These efforts demonstrably improve the bottom line of the General Fund by generating revenues far in excess of their costs.

ADMINISTRATION

In looking at issues of internal efficiencies, the Agency's challenge is to initiate the new projects and complete the existing projects without incurring large increases in ongoing staff and overhead costs. This is being undertaken by means of attempting to utilize existing staff for both of these purposes, and by making use of consulting resources for aspects of the planning process which are temporary and specialized in nature. Despite this streamlining, it will likely be necessary for the Agency to acquire a small number of additional staff in order to undertake new projects beyond those already officially in the survey stage, primarily in Property Management and Technical Services.

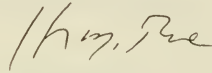
It is important to note that the Agency has reorganized internally over the last year in order to improve its efficiency and effectiveness. This resulted in the consolidation of several divisions of responsibility and a corresponding reduction of senior and middle management positions. This simplification of management structure has also resulted in greater clarity of responsibility and accountability.

Item 12 - File 100-95-12

Note: This item was continued by the Budget Committee at its meeting of September 20, 1995.

This item is a hearing concerning the long-term budget impacts that Federal budgetary reductions will have on the budget of the City and County of San Francisco over the next seven to nine years.

The Controller and the Budget Analyst will orally advise the Committee on any updated information obtained regarding the impacts which pending Federal budgetary reductions will have on San Francisco.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Laake

SF
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#2
10/3/95

MINUTES

RESCHEDULED MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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TUESDAY, OCTOBER 3, 1995-10:00 A.M.

ROOM 404, VETERANS BUILDING.
401 VAN NESS AVENUE
LEGISLATIVE CHAMBER

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 10:24 A.M.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:
 - a) File 101-92-33.5. [Reserved Funds, Fire Department] Consideration of release of reserved funds, Fire Department, (1986 Fire Protection Bond accrued interest) in the amount of \$29,630.50 for the purpose of installing emergency generator at Fire Station No. 37, as part of the Department of Public Works seismic upgrade and addition project. (Fire Department)
 - b) File 148-92-7.7. [Reserved Funds] Consideration of release of reserved funds, Fire Department, (State Hazard Mitigation Grants from FEMA) in the amount of \$29,630.50 for the purpose of installing emergency generator at Fire Station No. 37, as part of the Department of Public Works seismic upgrade and addition project. (Fire Department)

- c) File 101-95-7.1. [Reserved Funds, Department of Public Works] Consideration of release of reserved funds, Department of Public Works, (1990 Earthquake Safety Bond Program, Phase II) in the amount of \$33,631,269 for the purpose of the War Memorial Opera House Seismic Upgrade and Improvements Project. (Supervisor Hsieh)

SPEAKERS: None.

ACTION: CONSENT CALENDAR RECOMMENDED.

Item a) APPROVED RELEASE OF \$29,630.50. FILED.
Item b) APPROVED RELEASE OF \$29,630.50. FILED.
Item c) APPROVED RELEASE OF \$33,631,269. FILED.

VOTE: 2-1. (Supervisor Kaufman absent.)

REGULAR CALENDAR

FISCAL ITEM

2. File 101-95-22. [Appropriation, Chief Administrative Officer and City Attorney] Ordinance appropriating \$315,000, of 1995 Sewer Revenue Bond proceeds for bond issuance costs for the offices of the Chief Administrative Officer and the City Attorney for fiscal year 1995-96; providing for ratification of action previously taken. (Controller) RO #95048

SPEAKERS: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Kaufman absent.)

GENERAL ITEM

3. File 115-95-10.1. [Advertising Kiosks] Resolution urging the Mayor to urge the Chief Administrative Officer to direct the Director of Public Works to not permit installation of any public service kiosks on any public streets or sidewalks unless and until street encroachment permits are issued pursuant to ordinance; and to not permit installation of any public service kiosks in Historic or Conservation Districts unless and until Planning Code Article 10 and 11 permits are issued pursuant to law. (Supervisor Kaufman)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO OCTOBER 11, 1995, MEETING.

VOTE: 2-1. (Supervisor Kaufman absent.)

HEARING

4. File 100-95-9. [Government Efficiency] Hearing to consider ways to increase efficiency and reduce costs in the City's public protection departments (Juvenile Court, Law Library, County Agriculture-Weights and Measures, Medical Examiner/Coroner, Animal Care and Control, Public Administrator/Guardian, Public Defender, Sheriff, Adult Probation, Fire, Police, District Attorney Departments and Trial Courts). (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Chief Anthony Ribera, Chief of Police; Lt. Alec Fagin, Police Department; Ed Flower, Chief Probation Officer, Juvenile Probation; Marsha Bell, Law Librarian; Commissioner David Frieders, Agricultural/Weights and Measures; Carl Friedman, Director, Animal Care and Control; Ron Owen, representing Public Defender, Jeff Brown; Arlene Sauser, Chief Adult Probation Officer; Michelle McCabe; Assistant Public Administrator/Guardian; Deputy Chief Howard Slater, Fire Department; Alan Carlson, Executive Officer, Trial Courts. ELECTED OFFICIALS: Honorable Michael Hennessey, Sheriff; Honorable Arlo Smith, District Attorney. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR. (Report from Medical Examiner/Coroner not given.)

VOTE: 3-0.

5. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)

(Consideration continued from 9/27/95)

SPEAKER: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

TIME MEETING ADJOURNED: 12:47 P.M.

6-09
3/15
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OF SAN FRANCISCO

11
BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

September 29, 1995

TO: Budget Committee
FROM: Budget Analyst
SUBJECT: October 3, 1995 Budget Committee Meeting

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Items 1a and 1b - Files 101-92-33.5 and 148-92-7.7

Department: Fire Department
Department of Public Works (DPW)

Item: **File 101-92-33.3** is a request for the release of reserved funds, Fire Department (1986 Fire Protection System Improvement Bond interest earnings) in the amount of \$29,630.50 for the purpose of installing an emergency generator at Fire Station #37, as part of the Department of Public Works seismic upgrade and addition project.

File 148-92-7.7 is a request for the release of reserved funds, Fire Department (State Hazard Mitigation Grants from FEMA) in the amount of \$29,630.50 for the purpose of installing an emergency generator at Fire Station #37, as part of the Department of Public Works seismic upgrade and addition project.

Amount: (File 101-92-33.5) \$29,630.50
(File 148-92-7.7) 29,630.50
Total \$59,261.00

Source of Funds: (File 101-92-33.5) 1986 Fire Protection System Improvement Bond interest earnings
(File 148-92-7.7) State Hazard Mitigation Grant

Description:

File 101-92-33.3 In November of 1986, San Francisco voters approved the issuance of \$46.2 million in Fire Protection System Improvement Bonds to finance improvements to the City's fire protection system. In February of 1993, the Board of Supervisors appropriated \$1,191,769 in accrued interest from the 1986 Fire Protection Bond Fund, placing \$623,350 on reserve for emergency generators pending the selection of contractors and determination of their MBE/WBE status. The Fire Department is now requesting the release of \$29,630.50 of these funds for the purchase and installation of an emergency generator for Fire Station No. 37, located at 798 Wisconsin Street.

File 148-92-7.7 In addition, the Board of Supervisors previously approved a resolution authorizing the Department of Public Works to accept and expend a total of \$4,971,000 in four State Hazard Mitigation Grants from the Federal Emergency Management Agency (FEMA). One of the four grants, in the amount of up to \$500,000, to be used for the installation of emergency generators at 20 Fire Department facilities, was placed on reserve pending the selection of contractors and determination of their MBE/WBE status. The Fire Department is now requesting the release of \$29,630.50 of these funds for the purchase and installation of an emergency generator for Fire Station No. 37, located at 798 Wisconsin Street. Use of these FEMA funds, through State Hazard Mitigation grant monies, requires a 50% local match, which will be provided from the Fire Protection System Improvement Bond funds described above under File 101-92-33.3.

The two amounts proposed for release, which together total \$59,261, would be expended to purchase and install one emergency generator under a construction contract previously approved by the Board of Supervisors (File 101-90-128.3) for the seismic upgrade and addition of Fire Station No. 37. Assistant Deputy Chief Frank Scales of the Fire Department advises that the emergency generator will be installed by the firm of Chiang C.M. Construction, the successful bidder for the larger project to upgrade Fire Station No. 37. Chiang C.M. Construction is a City-certified MBE firm.

Recommendation: Approve the requested release of reserved funds in the amount of \$59,261.

Memo to Budget Committee
October 3, 1995 Budget Committee Meeting

Item 1c - File 101-95-7.1

Department: Department of Public Works (DPW)

Item: Release of reserved funds in the amount of \$33,631,269 for the War Memorial Opera House Seismic Upgrade and Improvement Project.

Amount: \$33,631,269

Source of Funds: 1990 Earthquake Safety Bonds

Description: The Board of Supervisors previously approved legislation appropriating \$44,971,539 for capital improvement projects related to seismic upgrading of the War Memorial Opera House, and other facilities in the Civic Center area (File 101-95-7). At the same time, the Board of Supervisors placed \$34,831,269 on reserve pending the DPW's submission of contract cost details and the MBE/WBE status of the contractors for the War Memorial Opera House Seismic Upgrade and Improvement Project.

The DPW is now requesting that \$33,631,269 of the \$34,831,269 be released from reserve for the War Memorial Opera House project, leaving a balance of \$1,200,000 still on reserve.

The DPW reports that, through its Invitation for Bids process, the DPW has selected Morse Diesel International, Inc., as the construction contractor for the War Memorial Opera House project, based on a base bid amount of \$35,214,618. Morse Diesel International is not an MBE or WBE firm. The DPW advises that Morse Diesel International submitted the second lowest bid. According to the DPW, the lowest bid, submitted by S. J. Amoroso Construction Co., Inc., was rejected as non-responsive because S. J. Amoroso Construction Co. did not meet the required good faith efforts for MBE/WBE subcontracting goals. The list of firms which submitted bids, and the amounts bid, are as follows:

<u>Firm</u>	<u>Amount Base Bid</u>
S. J. Amoroso Construction Co. Inc.	\$34,811,172
Morse Diesel International, Inc.	\$35,214,618
Tutor-Saliba Corporation	\$35,477,000
Barnes Centex Golden, a Joint Venture	\$36,100,000

The DPW advises that the total estimated cost of the War Memorial Opera House Seismic Upgrade Project is

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
October 3, 1995 Budget Committee Meeting

\$66,828,696. The requested \$33,631,269 would pay for a portion of these costs. Of the remaining \$33,197,427 (\$66,828,696 less \$33,631,269), \$15,046,522 represents previously appropriated 1990 Earthquake Safety Bond funds. The balance of \$18,150,905 (\$33,197,427 less \$15,046,522), includes \$6,628,439 in previously appropriated War Memorial and Performing Arts Center Capital Improvement funds and \$11,522,466 to be provided by the Committee to Restore the Opera House, a non-profit organization, in accordance with a Memorandum of Understanding (MOU) between the DPW and the Committee to Restore the Opera House.

Budget: The requested \$33,631,269 for the War Memorial Opera House project would be expended as follows:

<u>Construction Contract</u>	
Construction	\$25,611,980
Construction Contingency (20%)*	5,122,396
Hazardous Materials Abatement	
Contingency	<u>1,614,393</u>
Subtotal	\$32,348,769
<u>Construction Management (DPW)</u>	
5212 Construction Manager (500 hrs. @ \$100 per/hr.)	\$50,000
A919 Contract Administrator (250 hrs. @ \$80/per hr.)	20,000
5208 Field Engineer (7,500 hrs. @ \$75 per/hr.)	<u>562,500</u>
Subtotal	632,500
<u>Other</u>	
Inspection, testing, permits (see Attachment I)	<u>650,000</u>
Total	\$33,631,269

* The DPW reports that the 20 percent contingency is required to cover unanticipated costs which may result from unforeseen conditions including the age of the War Memorial Opera House building and the extent of the historic preservation work to be done throughout this building.

Comments: 1. The DPW reports that the monies designated for the Hazardous Materials Abatement Contingency, are to be expended on emergency work, on an as needed basis, relative to hazardous material (i. e., lead and asbestos) abatement. The DPW advises that, a subcontractor, LVI Environmental Services, has been selected by Morse Diesel International to

Memo to Budget Committee
October 3, 1995 Budget Committee Meeting

perform such work. LVI Environmental Services is neither an MBE or a WBE firm.

2. Attachment II is a list of Morse Diesel International's subcontractors including the MBE/WBE status of the subcontractors and the subcontract amounts.

Recommendation: Release the reserved funds in the amount of \$33,631,269.

OTHER ITEMS:**1 Special Inspection and Testing****DPW Materials Testing Laboratory**

5208 Civil Engineer	250 hrs. @ \$75/hr	\$18,750
5206 Assoc. Civil Engineer	500 hrs @ \$70/hr	\$35,000
5202 Jr. Civil Engineer	750 hrs. @ \$64/hr	\$48,000
6318 Construction Inspector	2000 hrs. @ \$64/hr.	\$96,000
5305 Materials Testing Tech.	2000hrs. @ \$50/hr.	\$100,000
5304 Materials Testing Aide	500@ 43/hr.	\$21,500
Sub-total		\$319,250

DPW Materials Testing Laboratory

Concrete and Shotcrete cylinder tests	\$150,000
Electrical wire tests, Rebar tests, Soil tests	
Conduit tests	

Total: Special Inspection and Testing **\$469,250**

2 Printing: (Graphics) **\$75,000**

3 Permits: **\$105,750**

Total **\$650,000**

San Francisco War Memorial Opera House
Seismic Upgrade and Improvements/ J.O. 2342 U

2

MBE/WBE Subcontract Breakdown

Subcontracting goals established by HRC: MBE: 14%; WBE: 3.7%

Prime Contractor

Morse Diesel International, Inc.

Subcontractors, MBE

Kent Lim (Mechanical)	\$3,575,000
Allied (Fire Protection)	\$595,760
Let's Get Busy (Concrete)	\$250,000
Omega Roofing	\$119,000
Stoneage (Stone)	\$492,000
K Z Tile	\$260,000
Gilane (Epoxy repair)	\$103,000
Vickers (Conc. saw.)	\$12,000
Bico (Trucking)	\$13,000
Pacific Paint (Paint)	\$136,400
Subtotal: MBE: 15.77% of the base bid amount of \$35,214,618	\$5,556,160

Subcontractors, WBE

Handypersons (Protection, ornamental mtls, doors, woodwk)	\$3,589,000
Perriti Park (Photography)	\$25,000
King (Security)	\$258,000
Cont. Bldg. (Floor Mat)	\$2,385
Subtotal: WBE: 7.11% of the base bid amount of \$35,214,618	\$3,874,385

Item 2 - File 101-95-22

Departments: Chief Administrative Officer (CAO)
City Attorney

Item: Supplemental appropriation ordinance appropriating \$315,000 of 1995 Sewer Revenue Bond proceeds for bond issuance costs for the Offices of the Chief Administrative Officer (CAO) and the City Attorney; providing for ratification of action previously taken.

Amount: \$315,000

Source of Funds: 1995 Sewer Revenue Bond Proceeds

Description: In November of 1994, the San Francisco electorate approved the issuance and sale of \$146,075,000 of City and County General Purpose Sewer Revenue Bonds for the purpose of acquiring, constructing, improving and financing improvements to the existing municipal sewage treatment and disposal system. The first series (Series 1995) of Sewer Revenue Bonds, in the amount of \$62,500,000, was issued in June of 1995. The proposed supplemental appropriation ordinance would appropriate \$315,000 in 1995 Sewer Revenue Bond proceeds for the following costs associated with the bond issuance:

Legal Services

Co-Bond Counsel

Through a Request for Proposal (RFP) process, the City Attorney selected the firms of Orrick, Herrington & Sutcliffe and Leslie Lava, Attorney at Law, as Co-Bond Counsel, to prepare the bond sale and closing documents. The cost of this contract is \$122,500, based on an average hourly rate of \$238 for approximately 515 hours. Leslie Lava, a certified WBE firm, will be allocated a minimum of \$42,000, or approximately 34 percent of the contract.

\$122,500

City Attorney's Office

This request of \$22,137, based on approximately 205 hours at an average hourly rate of \$108, is for the City Attorney's Office to draft legislation, review legal documents prepared by the Co-Bond Counsel, perform legal research and structure the bond financing.

22,137

Financial Consultation/Cost of Issuance

Financial Advisors

Through an RFP process, the CAO selected Public Financial Management and Smith Mitchell Investment Group, a joint venture, to perform financial advisory consultation services. The cost of this contract is \$64,000, based on an average hourly rate of approximately \$147 for 436 hours. Smith Mitchell Investment Group, a certified WBE firm, was allocated \$23,600 or approximately 37 percent of the contract.

\$64,000

CAO's Office

This request of \$40,000 would reimburse the CAO for bond coordination costs, as follows:

Director of Public Finance		
(300 hours @ \$56 per hour)	\$16,800	
Special Assistant		
(650 hours @ \$28 per hour)	18,200	
Other Office Expenses	<u>5,000</u>	
Subtotal - CAO		40,000

Rating Agencies

This request of \$44,500 would cover required fees for bond rating agencies, including Moody's Investor Service (\$20,000) and Standard & Poors (\$24,500). According to Ms. Laura Wagner-Lockwood of the CAO's Office, ratings must be obtained from rating agencies in order to receive the most advantageous interest rates for a bond issue.

44,500

Official Statement

The CAO's Office advises that Federal securities regulations require that the City publish a preliminary and final official statement (a sales brochure) prior to issuing bonds. This request of \$12,500 would pay for printing costs to publish the preliminary and final official statement.

12,500

Trustee

This request of \$7,500 would pay the required fee for the trustee, Bank of America. The trustee is responsible for administering the bond proceeds and making debt service payments to bondholders.

7,500

Advertising

State securities regulations require that the City publish a notice of intent to issue bonds in a local newspaper and a national financial periodical. This request of \$1,500 would pay for the expense of advertising a notice of intent in the *San Francisco Examiner* and the *Bond Buyer* periodical.

\$1,500

Contingency

Rounding up factor

363

Total Supplemental Appropriation Request \$315,000

Comments:

1. State law allows up to two percent of a bond sale to be used to fund bond issuance costs. The proposed supplemental appropriation ordinance of \$315,000 represents approximately 0.5 percent of the total sale of \$62.5 million of Series 1995 Sewer Revenue Bonds.

2. Given that sale date of June 14, 1995 for the \$62.5 million in 1995 Sewer Revenue Bonds has already elapsed, Ms. Wagner-Lockwood reports that the CAO's Office has since incurred expenditures against the proposed supplemental appropriation, including financial consultation fees, rating agency fees, trustee fees, and printing and advertising expenses. As such, the proposed supplemental appropriation ordinance provides for ratification of action previously taken.

Recommendation: Approve the proposed supplemental appropriation ordinance.

Item 3 - File 115-95-10.1

- Item:** Resolution urging the Mayor to urge the Chief Administrative Officer to direct the Director of Public Works to not permit installation of any public service kiosks on any public streets or sidewalks unless and until street encroachment permits are issued pursuant to ordinance; and not to permit installation of any public service kiosks in historic or conservation districts unless and until Planning Code Article 10 and 11 permits are issued pursuant to law.
- Description:** The proposed resolution would urge the Mayor to urge the Chief Administrative Officer not to permit the installation of any public service kiosks on public streets or sidewalks unless and until permits for such kiosks are issued under certain sections of the Public Works Code and the Planning Code. Legislation currently pending before the Board of Supervisors' Housing and Land Use Committee would amend the Public Works Code and the Planning Code to specify that the kiosks currently being installed around the City by J.C. Decaux United Street Furniture are subject to certain provisions of the Public Works Code and the Planning Code and that additional permits are required for the installation of the J.C. Decaux kiosks.
- Comment:** The Office of the Author of the proposed legislation advises that they will request that this item be continued to the Budget Committee meeting of October 11, 1995.
- Recommendation:** Continue this item to the Budget Committee meeting of October 11, 1995, at the request of the Author's Office.

Item 4 - File 100-95-9

1. This item is a hearing to consider ways to increase efficiency and reduce costs in the City's public protection departments (Juvenile Court, Law Library, County Agriculture-Weights and Measures, Medical Examiner/Coroner, Animal Care and Control, Public Administrator/Guardian, Public Defender, Sheriff, Adult Probation, Fire Department, Police Department, District Attorney and Trial Courts).

2. Following is (1) information provided by the subject City departments regarding actions taken as well as future plans for increasing departmental efficiencies and/or reducing departmental costs and (2) information on prior recommendations of the Budget Analyst with respect to increasing efficiencies and reducing costs in certain City departments.

Juvenile Court

Mr. Ace Tago of the Juvenile Probation Department advises that the Department will submit a memo to the Budget Committee prior to the Budget Committee meeting of October 3, 1995, which outlines actions the Department has taken or is planning to take to increase departmental efficiencies and/or to reduce cost. Mr. Tago reports that a representative of the Juvenile Probation Department will be present at the subject Committee meeting in order to respond to any questions.

Law Library

Attachment I is a memo from Ms. Marcia Bell, Law Librarian, which outlines the Law Library's prior actions and plans for future actions, to increase efficiencies and/or reduce costs.

County Agriculture-Weights and Measures

Attachment II is a memo from Mr. David C. Frieders, Agricultural Commissioner, Director of Weights and Measures, which describes the County Agriculture-Weights and Measures Department's previous actions and future plans for reducing departmental costs. Mr. Frieders advises that he will be present at the Budget Committee meeting of October 3, 1995, in order to respond to any questions.

Medical Examiner/Coroner

Attachment III is memo from Boyd Stephens, M. D., Chief Medical Examiner, which outlines examples of some the Medical Examiner/Coroner's prior actions and plans for future actions to increase the Department's efficiencies and reduce costs.

Animal Care and Control

Attachment IV is a memo from Mr. Carl Friedman, Director of the Department of Animal Care and Control, which outlines examples of some the Department's prior actions and future plans to increase the Department's efficiencies and reduce costs.

Public Administrator/Guardian

Attachment V is a memo from Mr. Ricardo Hernandez, Public Administrator-Guardian, which outlines prior actions taken and future plans to increase the Department's operational efficiencies and/or reduce costs.

Public Defender

Mr. Jeff Brown, the Public Defender, states that he will be on vacation the week of October 2, 1995, but that Mr. Peter Keane, the Department's Chief Attorney, would attend the Budget Committee meeting. Mr. Brown states that the following three areas offer potential significant operational efficiencies and savings: (1) conflict attorney representations, (2) the use of a master calendar system in Municipal Court proceedings, and (3) an improved Court Management Information System. Mr. Brown further states that Mr. Keane will provide details on these areas of potential savings and respond to any questions.

Sheriff

The Sheriff's Department has incorporated several changes beginning in FY 1994-95 and continuing in FY 1995-96 to reduce costs, and increase efficiencies, including:

- Staggering the start dates for new employees to be hired to staff County Jail, #8 and County Jail #9 located at 425 7th Street.
- Hiring staff for the new jail to begin in the miscellaneous 8302 Deputy Sheriff I classification, instead of the uniform 8304 Deputy Sheriff classification, for a savings of approximately \$887,220 over the 30 month hiring phase for the new jail based on a recommendation made in the 1994 Zero-Base Budget Analysis of the Budget Analyst.
- The consolidation of the Court Services Division, for an estimated savings of \$415,113, according to Sergeant Richard Ridgeway, Financial Services Manager.
- The establishment of a Human Resources Division, and the corresponding consolidation of four divisions, for an estimated savings of \$85,303, according to Sergeant Ridgeway.

- The expansion of Jail Alternative Programs, such as Home Monitoring, and the Sheriff's Work Alternative Program. The Jail Alternative Programs decrease the overall jail population in order to prevent jail overcrowding fines, by providing supervised alternatives to early release of offenders on their own recognizance. In addition, according to Mr. Kevin Foster of the Sheriff's Department, the expansion of the Jail Alternatives Program is a method to prevent the early release of prisoners who have served only 70 percent of their sentences.
- The conversion of three sworn Deputy Sheriff positions to three civilian positions, for an estimated savings of \$66,846 annually, according to Sergeant Ridgeway.
- The leasing of computer hardware versus purchasing such hardware for an estimated savings of \$1,344,240 for FY 1995-96, according to Sergeant Ridgeway.

Chief Deputy Sheriff MaryAnn DeSouza of the Sheriff's Department advises that the Department has not been fined for jail overcrowding since December of 1994, as the result of the efficiencies achieved through opening the new jail, and the expansion of the Jail Alternative Programs. In addition, Chief DeSouza advises that the City is no longer required to house prisoners in Alameda County, at a cost of \$83 per day per prisoner, as a method of reducing the City's jail population in order to avoid jail overcrowding fines. This saved the City \$2,296,340 over a five month period in FY 1994-95, according to Chief DeSouza.

Adult Probation

Mr. Roy Ellender of the Adult Probation Department advises that the Department will submit a memo to the Budget Committee prior to the Budget Committee meeting of October 3, 1995, which outlines actions the Department has taken or is planning to take to increase departmental efficiencies and/or to reduce costs. Mr. Ellender states that Ms. Arlene Sauser, Chief Adult Probation Officer, will be present at the subject Committee meeting in order to respond to any questions which the Committee might have.

Fire Department

Attachment VI is a memo from Deputy Chief Howard Slater of the Fire Department, which describes some of the Fire Department's prior actions as well as future plans for increasing efficiencies and/or reducing costs.

Police Department

Overall, the Police Department's budget for FY 1995-96 is increasing by approximately 11 percent over FY 1994-95. This is primarily due to the increase in salaries to be paid to new Police Officers who have been hired and are now being trained in order to comply with Proposition D, which mandates that the Police Department employ 1,972 full duty officers. Because approximately 110 Police

Officers are not on full duty, but are on light duty or temporary disability at any given time, the FY 1995-96 budget provides for employment of 2,082 officers in order to meet the Proposition D requirement.

In the Zero-Based Budget Analysis (ZBB) of the Police Department conducted for FY 1995-96, the Budget Analyst identified 104 positions now performed by uniformed officers which could be performed by civilian personnel whose salary and retirement costs average \$20,739 less per position than that of uniformed personnel, for a total savings of approximately \$2.2 million annually. In addition, there are other benefits to civilianization, such as increasing the amount of uniformed Police personnel time available for law enforcement work rather than administrative work, and avoiding the cost of training Police personnel in areas such as personnel management, statistical analysis, and other functions in addition to their Police training. However, under the Proposition D mandate, uniformed staff who would be replaced by civilians would be retained in order to maintain the staff level of 1,972 full duty officers. Therefore, civilianization of the 104 positions identified in the ZBB Analysis would increase Police Department costs by approximately \$5.1 million annually. In general, if positions are civilianized, the Police Department can provide more units of service at a lower cost per unit.

Sergeant John Bisordi of the Police Department's Fiscal Division advises that during FY 1995-96, the Police Department will continue to automate several functions in order to increase efficiency and reduce costs. With training, and with the purchase of additional computer terminals, an increasing percentage of Police reports are being written and filed on the Department's computer system. The Teleserve system, instituted in FY 1994-95, allows for certain types of Police reports to be taken over the phone, rather than requiring an officer visit, and use of this system is growing. Both the Department's use of computers for report writing, and the Teleserve system are already increasing the amount of Police Officer time in the field, according to Sgt. Bisordi.

General Fund expenditures for uniform salaries in FY 1995-96 have been offset by an amount of approximately \$600,000 as part of the receipt of a three year, \$4 million grant of Federal Crime Bill funds. In addition, the Police Department has been awarded a three-year grant of \$3.2 million in Federal Crime Bill funds for equipment purchases. Sgt. Bisordi reports that these funds will be used to purchase 390 laptop computers to be used by Officers in the field to; (a) file crime incident reports, (b) verify warrants and records, and, (c) conduct other functions which formerly had to be done in the District Police Stations. Sgt. Bisordi reports that when the laptop computer program is fully implemented, the Department estimates a resulting time savings of approximately 400 FTEs annually, thus providing additional time for other Police services. Finally, for FY 1995-96, the Police Department has increased its Special Fund revenues by over \$2.0 million from FY 1994-95, including an increase of \$1.3 million in State reimbursements for the Automated Fingerprint ID Fund, and a \$707,000 projected increase in the Narcotics Forfeiture and Asset Seizure Fund. These funds will also be used to purchase equipment and materials.

Memo to Budget Committee
October 3, 1995

Sgt. Bisordi advises that representatives of the Police Department will attend the Budget Committee hearing of October 3, 1995 in order to make a presentation on these and other efficiency and cost-cutting efforts by the Department as requested by the Committee and in order to respond to any questions.

As directed by the Board of Supervisors, the Budget Analyst is currently conducting a management audit of the Police Department, analyzing ways to increase efficiency, reduce costs, and provide additional service to the public. The management audit is expected to be completed in the spring of 1996.

District Attorney

Attachment VII is a memo from the District Attorney's Office responding to the efficiency/savings questions put forth by the Budget Committee. Ms. Bridget Bane of the District Attorney's Office advises that the District Attorney will attend the Budget Committee meeting to respond to any questions.

Trial Courts

Mr. Alan Carlson, Chief Executive Officer of the Trial Courts, was attending a national meeting on the topic of Trial Court funding at the time this report was prepared. Mr. Carlson will make a presentation to the Committee regarding Federal funding prospects and actions the Trial Courts are taking to increase efficiencies and/or reduce costs at the October 3, 1995 Budget Committee hearing. In this context Mr. Carlson will also address progress on Court consolidation issues raised in the Zero Based Budget (ZBB) Analysis of the Trial Courts conducted by the Budget Analyst for FY 1995-96.

San Francisco Law Library

401 VAN NESS AVENUE, ROOM 400
SAN FRANCISCO, CA 94102-4552
Telephone (415) 554-6823
Facsimile (415) 554-6820

To: Supervisor Tom Hsieh, Chair, Budget Committee
Supervisor Barbara Kaufman, Budget Committee
Supervisor Sue Bierman, Budget Committee
From: Marcia R. Bell, Law Librarian
Subject: Budget Efficiency Hearings
Date: September 28, 1995

MEMORANDUM

The law library submits the following information in response to Supervisor Hsieh's letter of September 22, 1995, concerning department efficiency.

a. How will the Federal Budget impact your budget this year and over the next 7 to 9 years?

The law library receives no federal funding; thus the federal budget will have no impact on the law library.

b. What have been some of the budget saving ideas you have implemented in the past?

During the last three years the library converted from manual to automated bookkeeping, payroll, and accounts payable systems, eliminating the accountant's position. Administrative functions were converted from typewriters to computers. New book acquisitions were severely curtailed and serial subscriptions canceled or reduced to every-other year supplementation in order to cope with legal publication costs which increased 77% over the last eight years. Despite an increase in services, no positions were added.

c. What, if any, are the budget saving plans you have included as part of this year's budget?

The library continues to cancel subscriptions, delay supplementation, defer replacement of lost or stolen materials, and strictly limit new acquisitions in order to cope with declining revenues. Because the courts and law library are no longer housed together, the library opened a new reference room at the temporary courthouse. Because no additional funds were appropriated for the facility, it contains only a minimal collection of donated books. There is no appropriation for staffing, materials and supplies, updates or acquisition of the

Sandy Brown-Richardson
Page 2
September 28, 1995

basic titles needed for the reference room; thus the library must cut back other services to pay for these expenses.

d. What savings or efficiency plans do you intend to pursue in the future?

Under present conditions, the library has few realistic options to further reduce library materials and services.

e. What, if any, are the barriers - administrative, legislative or otherwise - hindering your department's ability to further pursue and implement measures to increase efficiency and reduce costs?

Beginning prior to 1950, the only funding provided the library by the City has been for three staff positions and less than \$10,000 a year for miscellaneous expenses. The library has to pay for books, supplies, equipment, all other salaries, medical insurance, the retirement plan, taxes, rent, liability, valuable papers, and worker's compensation insurance, and all other operating expenses from its share of civil filing fees. During most of the 80's and into the 90's, filing fee income has been inadequate to fully fund basic library services. A decline in the number of civil filings has reduced filing fee income: In FY 94-95 the library's filing fee revenue decreased by \$50,600 (6%). Yet during the last five to ten years, library systems have been revolutionized. Catalogs have not only converted to computer-generated systems, but are rapidly going on-line to be accessible to patrons in or out of the library, vastly increasing the efficiency and usefulness of a library's collection. Technical services such as circulation, serials processing, and spine labeling are now automated in the standard library. Computerized legal research and on-line information databases are common reference tools, and new formats such as CD-ROM are gaining widespread use.

Without adequate revenues to maintain even basic traditional services, the law library has been unable to convert to these more efficient, cost effective, and now standard, library systems. In order to increase efficiency, meet the public's legal information needs, and reduce operating costs in the long run, funds must be provided to enable the library to convert to automated systems, as well as to fund basic operating expenses.

cc: Sandy Brown-Richardson, Office of the Budget Analyst
Law Library Trustees

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FAXMRB . 93

opened a new reference room at the temporary courthouse. Because no additional funds were appropriated for the facility, it contains only a minimal collection of donated books. There is no appropriation for staffing, materials and supplies, updates or acquisition of the





CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT of AGRICULTURE and WEIGHTS AND MEASURES

501 ARMY STREET - 109-A, SAN FRANCISCO, CALIFORNIA 94124

Office of
AGRICULTURAL COMMISSIONER
Tel. 285-5010

Office of
FARMERS' MARKET MANAGER
100 Alemany Blvd. 94110
Tel. 647-9423

Office of
SEALER OF WEIGHTS AND MEASURES
Tel. 285-5012

Honorable Tom Hsieh
Chairman, Budget Committee,
Board of Supervisors
401 Van Ness Ave, Rm. 308
San Francisco, CA 94102-4540

September 28, 1995

Supervisor Itlich;

With regard to the Department of Agriculture and Weights and Measures, the federal budget has little impact on departmental operations. Federal cuts at the state level may have a ripple effect, but this will be indirect and of minimal consequence.

Past budget saving practices include:

- Departmental consolidation of Weights and Measures into the Agriculture Department.
- Cross training of staff to perform multiple functions.
- Staff reduction.

Current approaches to this year's budget savings plan focus on:

- Revenue enhancement through the implementation of industry supported and funded programs such as electric and water meter inspection, and salad products inspection.
- Computerizing office billing and state reporting systems.
- Revising billing forms so they are clearer, thus reducing the need for third and fourth mailings.

Future approaches to budget savings include:

- Continued revenue enhancement through programs presently being advanced by industry to inspect scanners and price tabulation centers.
- Utilizing departmental expertise to perform services for the city which are currently being contracted out.
- Providing auditing services for the city to assure purchases made through outside vendors are accurate according to weight, volume or count.

Services provided by the department are mandated by state law, if not provided by the county, they will be performed by the state, and the county will be charged cost recovery. Additionally, there will be reduced service levels for San Francisco residents and industries. Because staffing levels in the department are at minimal levels to provide services, it is the philosophy and intent of the Agricultural Commissioner to operate the department in an efficient, fiscally responsible manner while providing responsive, quality service for San Francisco. In pursuit of this the department will continue to seek out innovative and unique approaches to streamline operations and enhance revenues.

Sincerely,

David C. Frieders for
David C. Frieders
Agricultural Commissioner,
Director Weights and Measures

Post-It* Fax Note	7671	Date	9/28	# of pages	1
To	SANDY BROWN-	From	FRED CROWDER		
Co/Dept.	AGRICULTURE Budget Analyst	Co.	AG/WTS & MEAS		
Phone #		Phone #	285-5010		
Fax #	252-0461	Fax #	285-8776		

City and County of San Francisco

Chief Medical Examiner - Coroner

Attachment III

Page 1 of 2



September 26, 1995

Ms. Sandra Brown-Richardson
Budget Analyst
Board of Supervisors
1390 Market Street
San Francisco, CA 94102

Dear Sandy:

In response to your request for cost saving measures and efficiency improvement measures for the department:

COST SAVINGS

1. We have brought in-house the indigent program with savings of \$100,000 per year.
2. We are doing the state-mandated SIDS investigation and autopsy protocols with reimbursements so far of \$130,000.
3. We have TX'd two positions with savings exceeding \$100,000.
4. We have been working with the Public Administrator, the Veterans Administration, and the Health Department to bring in revenues from the indigent program which exceed the \$30,000 annual cost.
5. We have instituted removal fees, storage fees, and pouch fees with revenues exceeding \$100,000 per year.
6. We have obtained P.O.S.T. certification which will give state reimbursements for training.

We attempted to contract out the body removal services and transcription services but were turned down by the Government Efficiency Committee.

EFFICIENCY IMPROVEMENTS

1. We are adding a LAN system (funded by the State SIDS revenues) which will greatly improve recordkeeping and statistical reporting.

Ms. Sandra Brown-Richardson
September 26, 1995
Page Two

2. We are updating our laboratory equipment to make it less labor intensive.
3. We have been doing screening of indigent claimants and working with the State Curator and Veterans Administration so that the indigents are taken care of in the most dignified and cost effective manner possible.

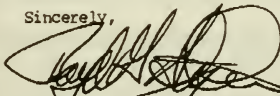
STATE AND FEDERAL BUDGET IMPACTS

We do not foresee any direct impact from federal or state budget cuts as the revenues we receive for the indigents, P.O.S.T. Training and the SIDS investigations are from burial permit fees not subject to budget reductions.

However, we are cognizant of the impact on any cut to the City on individual departments, and at this point we are a department in trouble. Because of the loss of the removal service, we have had to add investigative staff to respond two investigators to each call and do not have the budget to continue this through this fiscal year. We need additional funding for this year, and any budget cut would be disastrous.

I hope that this information will be helpful. Please feel free to contact me or Herb at any time for additional information or clarifications.

Sincerely,



Boyd G. Stephens, M.D.
Chief Medical Examiner


BGS/HH/sk:0274C

**ANIMAL CARE AND CONTROL DEPARTMENT****CARL FRIEDMAN**
DIRECTOR**1200 15th STREET**
SAN FRANCISCO
CALIFORNIA 94103
(415) 654-4364
FAX (415) 654-9424
TDD (415) 654-9704**MEMORANDUM**

DATE: September 26, 1995

TO: Sandy Brown Richardson
Budget Analyst's Office, Fax #252-0461

THROUGH: Steve Nelson, Executive Assistant to the C.A.O.

FROM:  Carl Friedman, Director Department of Animal Care and Control

RE: **DEPARTMENTAL BUDGET EFFICIENCY HEARINGS**

This memorandum is in response to Supervisor Hsieh's letter dated September 22, 1995, requesting information on Department Efficiency.

- a. **How will the Federal Budget impact your budget this year and over the next seven to nine years?**

This Department receives no direct Federal Subsidies of any kind. However, the Federal Budget cuts will most likely impact on the City's General Fund which will certainly have repercussions on us.

- b. **What have been some of the budget saving ideas you have implemented in the past?**

The creation of this Department in 1989 saved the City a significant amount of money. Before this time, animal care and control services used to be contracted out to a private vendor (The SF/SPCA). In FY 88/89, when performed by this outside contractor, the cost to the City for providing an Animal Care and Control program was approximately \$1,800,000. This fee had

Continuation of Item b from previous page

been increasing over the previous couple of years at a rate of 10 to 15% each year. Projecting these figures over the last seven years, in FY 1995/96 the City would be spending, well over \$3,500,000 if it continued to contract out these services. Over the past few years, we have assumed more responsibilities, such as taking over the Dead animal Pickup contract, and implementing the City's Vicious and Dangerous dog ordinance and our budget is still less than \$2,000,000.

c. What, if any, are the budget saving plans you have included as part of this year's budget.

This year, we have reached one of the most important goals for our Department and the City. No animal is adopted from our facility unless it has been surgically altered. Although Initially, this might result in a decrease in revenues from forfeited Spay/Neuter deposits, (before, if someone adopted an animal that wasn't altered, they would be required to leave a deposit with us that would be refunded when they had the animal spayed or neutered), it will have a greater long-term impact on the number of animals we have to handle in the future. The 4000 plus animals we now place into new homes will not, and cannot, breed. This will help cut down the tremendous overpopulation problem faced by our community.

d. What savings or efficiency plans do you intend to pursue in the future, and

e. What, if any, are the barriers-administrative, legislative or otherwise-hindering your department's ability to further pursue and implement measures to increase efficiency and reduce costs?

I have discussed with the Board's Budget Analyst and Mayor's Office regarding this Department's proposal to take over administration of the Dog License function from its current position under the Tax Collector's office.

Section 10.117-87 of the administrative code establishes the Animal Control and Welfare Fund. The purpose of this fund is to receive all fees and donations of money which may be collected by the Animal Care and Control Department for the sale, redemption or surrender of impounded animals and for the care and feeding thereof and all fees collected by the Tax Collector for dog licenses, dog kennel licenses and cat registrations. This money is to be used to defray the costs of operating the Department of Animal Care and Control.

Continuation of Items d & e

The Tax Collector's Office currently handles the City/County's dog licensing program. In fiscal year 1994/95, the fund received \$98,391 for the issuance of approximately 12,000 dog licenses. Of these monies, the Tax Collector collected \$71,321 and this Department collected \$27,070.

I conservatively estimate the dog population in San Francisco to be between eighty and one hundred thousand. If additional staff were to be hired to handle the clerical and enforcement functions of implementing this program, we could sell and process many more licenses. This would provide more revenue and help ensure better care and control of the City's dog population. I believe eventually this additional licensing revenue, would not only cover the added operational costs, but would also help fund other subsidized services of this Department.

The Department collects a variety of fees that possibly could be raised to increase revenues. These are for dog licenses, daily keep, redemption of lost animals, and adoption fees.

Although we recently had a modest increase of most of these fees, the dog license charges are in need of an adjustment. A preliminary survey showed us that most surrounding communities charge more for dog licenses than we do. This would need to be explored by the City's Animal Control and Welfare Commission and necessitates an ordinance change by the Board of Supervisors.

City and County of San Francisco

Public Administrator

Public Guardian



File No: _____
Direct Dial: _____
Attn: _____

PA/PG:
Ricardo Hernandez

ASST. PA/PG
Michele K. McCabe

M E M O R A N D U M

DATE: September 28, 1995

TO: Hon. Tom Hsieh
Chair, Budget Committee
Board of Supervisors

THROUGH: Steve Nelson, Executive Assistant to the CAO

FROM: Ricardo Hernandez *RH*
Public Administrator Public Guardian
County Veterans Service Officer

RE: Department Budget Efficiency Hearings

This memorandum is in response to Supervisor Hsieh's letter dated September 22, 1995, requesting information on Department Efficiency. Unfortunately, I will be in the County Veteran Service Officer's training next week and will not be present at the hearings. The department will be represented by the Assistant Public Administrator/Guardian Michele McCabe.

- a. How will the Federal Budget impact your budget this year and over the next seven to nine years?

The Federal Budget will have no direct effect on our department. We most likely will be affected by cuts to the City's General Fund. Our clients will certainly be directly affected by the Federal Budget cuts. Our clients are seniors, veterans, those who have been abused both physically and financially, and the mentally ill of the county. As services to these people decline, the demand for our services increases.

- b. What have been some of the budget saving ideas you have implemented in the past?

Since taking office in 1989, I have reorganized and streamlined our operations. Despite the elimination of all middle management positions, we have managed to provide services to a significantly increased number of clients and cases.

25 Van Ness Avenue, Suite 200, San Francisco, CA 94102
Principal Number (415) 554-1150 Fax Number (415) 554-1166

September 28, 1995
Page 2

In 1991, we took over Community Mental Health's sub-payee program for 500 mental health clients in the community. By combining this payee program with existing programs, we have been able to provide payee services to over 1,200 mental health clients without duplicating services.

In 1992, we opened the County Veteran Service division and have assisted 6,020 veterans to date.

We served on a Board of Supervisor's task force on coordination of services to elder abuse victims and continue to serve on the elder abuse implementation team, investigative team, and advisory board for the shelter project. By coordinating services and elder abuse investigation, we avoid duplication of services and have improved response time to victims of elder abuse.

We have been able to offset our general fund support by raising our projected revenue to \$1,800,000 for FY 95-96.

- c. What, if any, are the budget saving plans you have included as part of this year's budget?

Our goal for this year is to maintain the same service level with the same number of staff despite the increased demand for our services, additional number of cases, rise in death investigations/estates, and cuts in community services to our clients. We are accomplishing this largely due to our computer system.

Over the past five years, we have reduced expenses to the minimum needed to provide our current services. If asked to cut again, we will need to stop providing a service altogether.

- d/e. What savings/efficiency plans do you intend to pursue in the future? What are the barriers hindering your ability?

We remain active members of both the California State Association of Public Administrators/Guardians/Conservators and California State Association of County Veteran Service Officers. Both Associations have been actively involved in seeking out and sponsoring legislation which provides "new" revenue for PA/PG/PC and CVSO's.

We have consolidated other programs into our department in the past and have demonstrated our ability to both cut expenses and improve service delivery. In the spirit of cooperation, we remain open to any new possibilities.

cc: Sandy Brown Richardson
Budget Analyst's Office
FAX 252-0461

TOTAL P.03

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO FIRE DEPARTMENT

JOSEPH A. MEDINA, *Chief of Department*

JAMES P. OLSON, *Deputy Chief--Operations*

HOWARD L. SLATER, *Deputy Chief--Administration*



260 GOLDEN GATE AVENUE
SAN FRANCISCO, CALIFORNIA, 94102
(415) 861-8000, EXTENSION 281

September 27, 1995

The Honorable Tom Hsieh
Chair, Budget Committee
Board of Supervisors
410 Van Ness Avenue, Room 308
San Francisco, CA 94102-4540

Dear Supervisor Hsieh and Members of the Budget Committee:

In response to your request concerning budget efficiencies, I submit the following:

a.) How will the Federal Budget impact your budget this year and over the next 7 to 9 years?

The Fire Department is primarily and overwhelmingly funded from the General Fund. Reductions at the Federal level have no direct negative impact on the Fire Department's budget; however indirectly, I recognize that the Fire Department does not operate in financial vacuum and that as resources become even scarcer for the City, the Fire Department could be affected. The Fire Department's budget is primarily composed of personal services costs; therefore, any significant reductions would translate into closed fire stations and reduced fire protection. The severity of any impact will be a matter of City policy.

b.) What have been some of the budget saving ideas you have implemented in the past?

The Fire Department's budget has steadily declined over the past few years even with the inclusion of increased costs for personal services. The primary reasons for these reductions were the reduction of the daily staffing levels of the Fire Department's fire units and most significantly reductions in the retirement costs for uniformed firefighters.

The Fire Department revised work schedules to reduce conflicts with training needs thus reducing the need for overtime.

The Fire Department instituted a comprehensive health and safety program. Injuries and work days lost because of injuries have been reduced significantly. Costs for Worker's Compensation have continued to grow, but at a significantly reduced rate; these increased costs reflect the out-of-control medical costs of the past few years, not the Department's injury rate.

c.) What, if any, are the budget savings plans you have included as part of this year's budget?

There were no recommendations for further savings in the current budget. The Department is continuing plans put into effect over the past few years. However, the Department this year has taken steps to increase revenue in the Fire Prevention Program to further offset general fund demand by increasing inspection fees to reflect the Department's cost in providing these services.

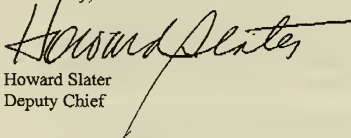
d.) What savings of efficiency plans do you intend to pursue in the future?

The Fire Department at this moment has no specific plans for further cost savings. However, the Department has hired an independent consulting firm at the direction of the Federal Court to examine the management of the Department. Part of the scope of work of the management study is to examine the structure and practices of the Department to determine if procedures and practices are efficient and identify any areas of the Department where redundancies occur or if functions can be performed more efficiently. Hopefully, further efficiencies can be identified; however, it is currently too soon tell if this will be the case.

e.) What, if any, are the barriers-administrative, legislative or otherwise- hindering your department's ability to further pursue and implement measures to increase efficiency and reduce costs?

The single biggest barrier in the area of cost efficiency is the mandates of the Federal Court in regards to carrying out the provisions of the Consent Decree. Hiring, promotions, training, court costs, and attorney fees as well as considerable Department human resources are dedicated to complying with the provisions of the Consent Decree and achieving affirmative actions goals. It is the desire of the Court that accomplishments in these areas be institutionalized with in the Department. The Fire Commission and the Fire Chief have made a full commitment to these goals and the Board of Supervisors unanimously supported the continuation of the Consent Decree. It must be fully realized that commitment to these goals has had and will continue to have a significant fiscal impact on the Fire Department and the City.

Yours truly,

A handwritten signature in dark ink, appearing to read "Howard Slater", is written over the typed name and title. The signature is fluid and cursive.

Howard Slater
Deputy Chief

September 28, 1995

District Attorney Report-Criminal

A. Budget savings and revenue ideas implemented by District Attorney in the past.

- Weekend rebooking, which has avoided millions of dollars in fines to the city.

- Subpoena program which saved \$500,000 in police overtime in FY 1994-95.

- Bad check restitution program. No cost to general fund and revenue producing.

- First Offender Prostitution Program. No cost to general fund and revenue producing

- Asset Forfeiture Unit produces millions of dollars to support city law enforcement programs at no cost to the general fund.

- Child abduction unit now provides services, some of which were formerly provided by the San Francisco Police Department, but this unit is 100% reimbursed by state funding and is not supported by general fund monies.

- Suspended Driver's License Program has generated \$400,000 to the city in its first seven months of existence at no cost to the general fund.

B. Budget Saving ideas included as part of this year's budget.

We will continue to perform and endeavor to expand all of the above activities. Not all of the activities listed are reflected in the budget of the District Attorney's Office.

C. Savings or efficiency plans for future.

All of the above to continue and/or expand. Also to continue to try to assist and encourage the development of a modified Master Calendar Plan for Municipal Court.

D. Impediments to savings and reducing costs.

Master calendar for municipal court. Inability of all necessary agencies to agree on modified plan which would allow District Attorney's Office to staff courts without moving to vertical prosecution mode which would require many more attorneys than the office now employs

Page 2

District Attorney

E. How the Federal Budget will impact our Department this year and in the future.

We are currently trying to ascertain this. We cannot address this subject in detail at the moment.

Memo to Budget Committee
October 3, 1995

Item 5 - File 100-95-12

Note: This item was continued by the Budget Committee at its meeting of September 27, 1995.

This item is a hearing concerning the long-term budget impacts that Federal budgetary reductions will have on the budget of the City and County of San Francisco over the next seven to nine years.

The Controller and the Budget Analyst will orally advise the Committee on any updated information obtained regarding the impacts which pending Federal budgetary reductions will have on San Francisco.


Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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N.B. Printer (~~✓~~ NOTICE OF CANCELLED MEETING
(~~✓~~ BUDGET COMMITTEE
b.f. and center (~~✓~~ S.F. BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of
the Budget Committee for Wednesday, October 11, 1995, has been
cancelled.

The next regular meeting of the Budget Committee will be held on
Wednesday, October 18, 1995, at 1:00 p.m., in the Room 410, Veterans
Building, 401 Van Ness Avenue.

10/06/95 - 1t - JOHN L. TAYLOR, CLERK OF THE BOARD

NOTICE OF CANCELLATION
BUDGET COMMITTEE
S.F. BOARD OF SUPERVISORS
NOTICE IS HEREBY GIVEN that the
regularly scheduled meeting of the
Budget Committee for Wednesday, Oc-
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The next regular meeting of the Budget
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October 18, 1995 at 1:00 p.m. in the
Room 410, Veterans Building, 401 Van
Ness Avenue.
JOHN L. TAYLOR, CLERK OF THE
BOARD
CHS1317219 October 6, 1995

68-1111. 9-10096

MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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WEDNESDAY, OCTOBER 18, 1995 - 1:00 P.M. ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:05 P.M.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:
 - a) File 101-94-88.1. [Reserved Funds, Juvenile Probation] Consideration of release of reserved funds, Juvenile Probation Department (Federal Subvention Revenue) in the total amount of \$440,000 for the purpose of installing electronic doors and security locks and police booking area. (Juvenile Probation Department)
 - b) File 101-91-27.3. [Reserved Funds, Department of Public Works] Consideration of release of reserved funds, Department of Public Works (Civic Center Power House Safety Improvements) in the total amount of \$64,560 for installation of condensate disposal system, related asbestos abatement and minor steam loop repair at Civic Center Power House. (Department of Public Works)
 - c) File 94-91-4.15. [Reserved Funds, Public Transportation Commission] Consideration of release of reserved funds, Public Transportation Commission (UMTA Section 9 Formula Assistance) in the total amount of \$75,175 to continue project implementation activities, replacement of sidewalks at various locations as specified in Municipal Railway, Contract No. MR-1051. (Public Transportation Commission)

- d) File 27-95-16.1. [Airport Emergency Cable Replacement] Resolution approving a Declaration of Emergency, emergency cable replacement, Cables 12NBSA-1 and 12Nbsa-2, Airport Contract No. 1960C, San Francisco International Airport in the amount of \$649,000. (Airports Commission)

SPEAKERS: None.

ACTION: CONSENT CALENDAR RECOMMENDED.

VOTE: 2-1. (Supervisor Bierman absent.)

REGULAR CALENDAR

GENERAL ITEM

2. File 224-95-1. [Transfer of Possessory Interest] Resolution authorizing the transfer of Possessory Interest in real property located at 1945 Washington Street from the Unsecured to the Secured Assessment Roll. (Assessor's Office)

SPEAKER: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Bierman absent.)

HEARINGS

3. File 100-95-10. [Government Efficiency] Hearing to consider ways to increase efficiency and reduce costs in the City's culture and recreation departments (County Education Office, Academy of Sciences, Art Commission, War Memorial, Fine Arts Museum, Asian Art Museum, Public Library, Recreation and Park Departments). (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Robert Jenkins, Director, Academy of Sciences; Rich Newith, Director, Art Commission; Robert Golton, Deputy Superintendent, Unified School District; Dr. Howard Roth, Regional Director, Bank of America; Beth Murray, Acting Managing Director, War Memorial; Harry Parker, Director of Museums, Fine Arts Museums; Emily Sano, Acting Director, Asian Art Museum; Ken Dowlin, City Librarian; Mary Burns, General Manager, Recreation and Park Department. GENERAL COMMENTS: Jeff Jones, Arts Democratic Club; John Erlich.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 2-1. (Supervisor Bierman absent.)

4. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO OCTOBER 25, 1995, MEETING.

VOTE: 2-1. (Supervisor Bierman absent.)

TIME MEETING ADJOURNED: 3:31 P.M.

90.07
12/95
CITY AND COUNTY



OF SAN FRANCISCO

//
BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

October 13, 1995

TO: ///
Budget Committee

FROM: ///
Budget Analyst *Recommendation 5*

SUBJECT: October 18, 1995 Budget Committee Meeting

DOCUMENTS DEPT.

OCT 17 1995

SAN FRANCISCO
PUBLIC LIBRARY

Item 1a - File 101-94-88.1

Department: Juvenile Probation Department

Item: Hearing to consider request for release of reserved funds, Juvenile Probation Department, in the amount of \$440,000 in Federal Subvention Revenue, for the purpose of installing electronic doors and security locks and a Police booking area at the Youth Guidance Center (YGC), located at 375 Woodside Avenue.

Amount: \$440,000

Source of Funds: Federal Entitlement Program, Title IV-E and IV-A Revenue Funds, that pass through the State Department of Social Services.

Description: In April of 1995, the Board of Supervisors approved a supplemental appropriation (File 101-94-88) in the amount of \$1,415,990 in Federal Subvention Revenue for the Juvenile Probation Department for maintenance and capital projects related to health and safety improvements at the Youth

Memo to Budget Committee
October 18, 1995 Budget Committee Meeting

Guidance Center (YGC). As part of that supplemental appropriation, the Board of Supervisors placed an amount of \$440,000 on reserve, pending the selection of contractors, the reporting of the MBE/WBE status of contractors, and submission of all budget details to the Board of Supervisors. These funds are for electronic doors, security locks and related security improvements (\$420,000) and for renovation of the Police booking area (\$20,000) at YGC.

Comments:

1. Mr. Ace Tago of the Juvenile Probation Department advises that it was decided that the renovation of the Police booking area and security improvements at YGC will be done in-house by Department of Public Works staff, rather than by outside contractors.
2. The Attachment, provided by the Juvenile Probation Department, shows the budget for the planned security improvements at YGC.

Recommendation: Approve the proposed release of reserve as requested.

JUVENILE PROBATION DEPARTMENT
Project Descriptions

Project #1: Electronic Doors & Security Locks \$420,000.00

See attached Job Order:

Convert existing door locks to electro-mechanical types for 110 doors controlled at remote locations with manual override. Also install intercom system in 110 bedrooms with master units at each counselor workstation.....6 residential units at \$49,500 \$297,000

See attached Job Order:

Fabricate and install security partition with gates in hallways next to counselor workstations. Also fabricate and reconfigure counselor workstations to include security barriers, modular workstations, electronic door lock control and intercom system including furnishings...6 units at \$20,500 123,000
Total Project Costs..... \$420,000

Project #2: Police Booking Area \$20,000.00

Exterior Security Door & Window:

1. Sawcut doorway through 10" concrete wall	\$ 3,311.72
2. Project administration & coordination	960.00
3. Put plaster around new install door	852.32
4. Paint & finish wall & entry door	1,099.64
5. Fabricate & install 7" security vent with opening door above new exterior door	1,437.04
6. Fabricate new exterior security door	<u>1,150.00</u>
Total	<u>\$ 8,810.72</u>

Install electronic gate, new video monitoring system, and two-way communication system for outside gate area.....	5,120.00
Install electrical outlets, plumbing fixtures, paint interior walls, and strip floors.....	5,083.00
Project contingency.....	<u>986.28</u>
<u>Total Project Costs</u>	<u>\$20,000.00</u>

Item 1b - File 101-91-27.3

Department: Department of Public Works

Item: Requesting release of reserved funds in the amount of \$64,560 for installation of a condensate disposal system, related asbestos abatement work and minor steam loop repair work at the Civic Center Power House.

Amount: \$64,560

Source of Funds: DPW Special Revenue Fund, Real Property Fund Reserve

Description: In December of 1991, the Board of Supervisors approved a supplemental appropriation ordinance in the amount of \$200,000 for safety improvements to the Civic Center Powerhouse, located at 302 Larkin Street. The Civic Center Powerhouse produces steam in order to heat City Hall, Brooks Hall, Bill Graham Civic Auditorium, the Main Library, the Department of Public Health office building (101 Grove Street) and the Emergency Hospital.

Of the \$200,000 supplemental appropriation, the Board of Supervisors placed \$160,000 on reserve, pending the selection of any contractors, the MBE/WBE status of the contractors, and submission of budget details. The total amount released to date is \$35,700, thereby leaving a balance of \$124,300 on reserve.

In July of 1995, with the approval of the Board of Supervisors (Resolution 496-95), the City, instead of continuing to produce steam on an in-house basis at the Civic Center Powerhouse, contracted with San Francisco Thermal for steam purchase and delivery. The DPW reports that the condensate from the steam, which is usually reheated to make more steam at the Powerhouse, must now be cooled and disposed of in compliance with Public Works Code Section 121.

The DPW advises that the least expensive method of disposal is to install a condensate disposal system at the Powerhouse. The DPW reports that before a condensate disposal system can be installed at the Powerhouse, asbestos must be removed for access. According to Mr. Robert Jew of the DPW, the DPW initiated a Request for Proposal (RFP) process in March of 1994, and selected six firms to perform asbestos abatement work on an as needed rotational basis. The following is a list of the six firms selected and approved by the HRC: Bluewater Environmental Services, CST

Environmental, Synergy Environmental, Paradigm Environmental, Marcor of California, and Restec. The DPW has selected Synergy Environmental Inc., an MBE firm, to perform the subject asbestos abatement work. The installation of the condensate disposal system, the minor steam loop repair work, and the managing and monitoring of the asbestos abatement work will be performed in-house by DPW staff.

The DPW is now requesting the release of \$64,560 for installation of a condensate disposal system, related asbestos abatement work and steam loop repair work. The \$64,560 request would be expended as follows:

Budget:

DPW Bureau of Building Repair (Installation of Condensate

Disposal System and Minor Steam Loop Repair Work)		
Steamfitter (495 hrs. @ \$28.9875/hr.)	\$14,348.81	
Sheet Metal Works (48.5 hrs. @ \$29.15/hr.)	1,413.78	
Electrician (32 hrs. @ \$26.6875/hr.)	854.00	
Painters (16 hrs. @ \$22.8375/hr.)	365.40	
Locksmith (4 hrs. @ \$25.175/hr.)	100.70	
Overhead and mandatory fringe	<u>15,289.66</u>	
Subtotal		\$32,372.35

DPW Bureau of Engineering (Designs for Condensate

Disposal System and Minor Steam Loop Repair Work)		
Project Manager (40 hrs. @ \$81.07/hr.)	\$ 3,242.80	
Assistant Mech. Engr. (60 hrs. @ \$47.71/hr.)	2,862.60	
Jr. Mech. Engr. (80 hrs. @ \$36.11/hr.)	<u>2,888.80</u>	
Subtotal		8,994.20

DPW Bureau of Construction Management (Monitoring and

Managing of Asbestos Abatement Work)		
Division Manager (2 hrs. @ 76.00/hr.)	\$ 152.00	
Section Manager (2 hrs. @ \$64.00/hr.)	128.00	
Construction Inspector (24 hrs. @ \$64.00/hr.)	1,536.00	
Technician (16 hrs. @ \$43.00/hr.)	688.00	
Regulatory Specialist (1 hr. @ \$48.00/hr.)	<u>48.00</u>	
Subtotal		2,552.00

Contractual Services (Asbestos Abatement)

Synergy Environmental, Inc. MBE		
Labor		
Asbestos Supervisor (32.5 hrs. @ \$75.00/hr.)	\$ 2,437.50	
Asbestos Worker (81.5 hrs. @ \$65.00/hr.)	5,297.50	
Project Manager (32 hrs. @ \$80.00/hr.)	2,560.00	
Non Labor		
Notification (filing of necessary paperwork with the		
Bay Area Air Quality Management District)	562.70	
Waste Disposal	840.00	
Air Samples	260.00	
Bond	360.00	
Contingency	<u>382.30</u>	

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
October 18, 1995

Subtotal	12,700.00
<u>Materials</u>	
Materials and Pump	<u>4,867.65</u>
Total	\$61,486.20
Contingency (5%)	<u>3,073.80</u>
TOTAL REQUEST	<u>\$64,560.00</u>

Recommendation: Approve the release of reserved funds in the amount of \$64,560.

Item 1c - File 94-91-4.15

Department: Public Transportation Commission (PTC)
Municipal Railway (MUNI)

Item: Request to release reserved funds in the amount of \$75,175 to continue project implementation activities for the replacement of sidewalks at various locations as specified in Municipal Railway Contract No. MR-1051.

Amount: \$75,175

Source of Funds: Federal Transportation Administration (FTA) Section 9 Formula Assistance, (formerly Federal Urban Mass Transit Administration)

Description: The Board of Supervisors previously approved a resolution authorizing the Public Utilities Commission (PUC) to apply for, accept and expend Federal FTA Section 9 Capital Assistance funds in the amount of \$13,815,120 plus \$3,453,780 in required State and/or local matching funds, for a total of \$17,268,900 for eight Municipal Railway (MUNI) capital projects (File 94-91-4). Of the \$17,268,900, a total of \$13,982,500 was placed on reserve for construction contracts, pending the selection of contractors, the submission of budget details and the MBE/WBE status of the contractors. Thus far, \$13,227,522 has been released from reserve, leaving a balance on reserve of \$754,978.

The Public Transportation Commission (PTC) is now requesting the release of \$75,175 for a construction contract to replace sidewalks adjacent to the following MUNI facilities: (1) Presidio General Office and Trolley Coach Facility, located at 949 Presidio, and (2) Kirkland Motor Coach Facility, located at 151 Beach Street. Funding for the project will be expended as follows:

Construction Contract - Vargas & Esquivel	\$57,795
Construction Contingency (10%)	5,780
MUNI Construction and Inspection Services (240 hours @ \$48.36 per hour)	<u>11,600</u>
TOTAL	\$75,175

Comment: Ms. Rosa Rankin of MUNI advises that a construction contract was awarded to Vargas & Esquivel, the second lowest bidder of five bidders, for an amount of \$57,795. Vargas & Esquivel is a Disadvantaged Business Enterprise (DBE) firm. Ms. Rankin advises that Annuzzi's Concrete

submitted the lowest bid of \$45,507.55, but was not selected because the PTC's Office of Contract Compliance determined that Annuzzi's Concrete did not meet the DBE goals specified for the contract. MUNI has provided the attached list of the bidders and the amounts bid for the proposed construction project.

Recommendation: Approve the requested release of reserved funds in the amount of \$75,175.

PAGE 2 PUBLIC TRANSPORTATION COMMISSION # _____
DIVISION _____
PROJECT _____

EXPLANATION (Continued):

The work to be accomplished under this contract consists of furnishing all labor, materials, services and all incidental work required to replace the sidewalks along Beach Street between Powell and Stockton Streets and along Masonic Avenue between Geary Boulevard and Euclid Avenue.

The Bid Summary information is as follows:

<u>Bidder</u>	<u>Amount Bid</u>
Annuzzi's Concrete San Francisco, CA	\$45,507.55
Vargas & Esquivel San Francisco, CA	\$57,795.00
Ghilotti Brothers San Rafael, CA	\$64,365.00
CCSF Department of Public Works San Francisco, CA	\$79,720.00
A. Ruiz Construction San Francisco	\$85,759.64

The Director of PTC's Office of Contract Compliance determined that the bid submitted by Annuzzi's Concrete, the apparent low bidder, did not meet the DBE goal specified for the contract. Correspondence covering this determination is attached.

The bid as received from Vargas & Esquivel, is deemed to be a responsive and qualified bid by Maintenance Engineering and PTC's DBE/AA Contracts Compliance Staff.

Therefore, it is recommended that the contract be awarded to this firm in their bid amount of \$57,795.00, and that all other bids be rejected.

Item 1d - File 27-95-16.1

Department: Airports Commission

Item: Resolution approving declaration of emergency for the award of a cable replacement contract at San Francisco International Airport.

Amount: \$649,000

Source of Funds: 1995 Series EE Airport Revenue Bond Funds

Description: The San Francisco International Airport (SFIA) has two cable systems which provide electricity along the perimeter of the Airport, between the runway and the Airport field lighting building. On August 28, 1995, one of the cable systems failed. In addition, according to the Airport, Airport maintenance staff consider the other cable system to be unreliable because of its age and advise that it could fail at any time. On September 19, 1995, the Airports Commission approved a resolution declaring an emergency and authorizing Airport staff to take immediate steps to replace the two cable systems.

In accordance with Section 6.30 of the Administrative Code, the Airport initiated an expedited contracting procedure for the cable replacement work. On September 1, 1995, the contract was awarded to Thunder Electric, Inc., the low bidder, in the amount of \$649,000. Thunder Electric, Inc. is a WBE firm. Repair work by Thunder Electric began on September 5, 1995 and is expected to be completed by mid-November of 1995.

Comment: The Airport reports that previously appropriated 1995 Airport Bond Funds (Series EE) would be used for this emergency cable replacement work.

Recommendation: Approve the proposed resolution.

Item 2 - File 224-95-1

Department: Assessor

Item: Resolution authorizing the transfer of possessory interest in real property at 1945 Washington Street from the unsecured to the secured assessment roll.

Description: The proposed resolution would transfer the possessory interest in a property located at 1945 Washington Street from the unsecured assessment roll to the secured assessment roll. A possessory interest is a private interest, such as a ground lease, in real property that is owned by the public sector.

The property contains a 42-unit building known as Washington Court. The building is situated on land owned by the San Francisco Unified School District (SFUSD). The SFUSD granted the original developer, Grosvenor Washington Court Associates, Ltd., a 75-year ground lease from August 1, 1984 through July 31, 2059. The building was initially an apartment complex, but is now being converted into a condominium complex. As the individual condominium units are sold, the possessory interest is transferred to the purchasers.

According to Mr. Verne Walton of the Assessor's Office, in San Francisco all possessory interests are initially placed on the unsecured property tax assessment roll. The unsecured property tax assessment roll contains all taxable property that is not real estate (such as business equipment, airplanes or boats), in contrast to the secured property tax assessment roll, which consists of real estate properties. Section 107(b) of the State Revenue and Taxation Code states that the Board of Supervisors can transfer possessory interests in real property from the unsecured property tax assessment roll to the secured property tax assessment roll, if the value of the possessory interest is sufficient to secure any taxes on it.

Mr. Walton states that the owners of the condominium units have requested that their possessory interest be transferred from the unsecured assessment roll to the secured assessment roll. Mr. Walton advises that the reason for their request is that the property tax bill for unsecured personal property must be paid in one lump sum each August, whereas owners of secured property pay their property tax in two payments, in December and April. It would therefore be advantageous to the condominium owners to transfer their

possessory interest to the secured assessment roll to even out their cash flow needs.

Mr. Walton states that, in the professional opinion of the Assessor's Office, the 64-year remaining possessory interest held by the condominium owners (1995 through 2059) is sufficient to secure the taxes on the property.

Comments:

1. The total current property taxes for the building are \$64,299. Mr. Walton reports that, once most of the condominium units have been sold to individual owners, the Assessor's Office will reassess the property in order to provide a separate bill to each condominium owner. Mr. Walton advises that the total combined reassessed value of the possessory interests will probably be higher than the current assessment. Mr. Walton states that the amount of property taxes due would not be affected by whether the possessory interests are placed on the secured or the unsecured assessment rolls. Mr. Walton further states that the City's cash flow will not be significantly affected by spreading out the timing of payment of property taxes on this possessory interest, and he believes that this request to transfer the possessory interest in real property from the unsecured assessment roll to the secured assessment roll is reasonable.

Recommendation: Approve the proposed resolution.

Item 3 - File 100-95-10

1. This item is a hearing to consider ways to increase efficiency and reduce costs in the City's culture and recreation departments (County Education Office, Academy of Sciences, Art Commission, War Memorial, Fine Arts Museum, Asian Art Museum, Public Library, Recreation and Park).

2. Following is (1) information provided by the subject City departments regarding actions taken as well as future plans for increasing departmental efficiencies and/or reducing departmental costs and (2) information on prior recommendations of the Budget Analyst with respect to increasing efficiencies and reducing costs in certain City departments.

County Education Office

In FY 1995-96, the City allocated the San Francisco Unified School District (SFUSD) a total of \$1,718,722, including the following: (1) \$1,056,000 for the SFUSD after-school sports program, which is offered at each of the City's 12 High Schools and 18 Middle Schools, and is funded by (a) the Temporary Stadium Admission Surtax (\$727,000 projected for FY 1995-96), and (b) the General Fund (\$329,000 projected for FY 1995-96), (2) \$600,000 for a music program which is offered once per week for each of the 75 elementary schools in the SFUSD, and is funded by the Children's Fund, and (3) \$62,722, in accordance with the City Charter and the State Education Code, including \$42,000 for the seven members of the Board of Education (at \$500 each per month), \$9,512 for a portion of the Superintendent of School's salary, \$10,085 for mandatory fringe benefits, and \$1,125 for materials and supplies for the expenses of the Superintendent of Schools.

Mr. Bob Golton of the County Education Office advises that a reduction in General Fund support for the SFUSD would result in a reduced number of after-school sports programs, and/or a reduction in the music program. Mr. Golton advises that the City's contribution to the SFUSD is augmented by significant private funding, including substantial private funding for the after-school sports program, and the music program. For example, Mr. Golton advises that private fundraising organizations raise over \$100,000 annually for sports equipment.

Academy of Sciences

Attachment I is a memo from Mr. Robert Jenkins, Director of the Academy of Sciences, which outlines some of the Academy of Sciences' prior actions and plans for future actions to reduce departmental costs.

Art Commission

Ms. Nancy Gonchar of the Art Commission reports that the following steps are being taken by the Art Commission to increase revenues and achieve operational efficiencies:

Memo to Budget Committee
October 18, 1995

- The Art Commission has implemented the Adopt-A-Monument program in order to restore and maintain monuments in Golden Gate Park. As of the writing of this report, private donations of \$5,000 have been identified for the FY 1995-96 goal of raising \$15,000 of the estimated overall \$81,000 cost for the restoration of the Buddha in the Japanese Tea Garden.
- The Art Commission has obtained \$1.1 million in Federal funds since FY 1993-94 from the Intermodal Surface Transportation Enhancement Fund for transit related public art projects, such as the 19th Avenue MUNI Building Boarding Islands. The Art Commission will submit grant applications by December 31, 1995 for an additional \$1.2 million of Intermodal Surface Transportation Enhancement Funds.
- The Arts Education Funders' Collaborative, a coalition of private and non-profit corporations which is coordinated by the Art Commission's Community Arts and Education program, has raised \$416,000 in private donations since 1992 for projects, such as "Inside/Out," a guide to arts education resources in the City. The Funders' Collaborative has committed to raising an additional \$200,000 in private donations over the next two years. These funds are administered by the San Francisco Foundation.
- The Art Commission is currently exploring various income producing projects, including the sale of publications such as "Guidelines for Temporary Art Projects on Public Property in the City and County of San Francisco," and the WritersCorps Anthology, "Flavors of the City." The Art Commission is also investigating markets for the sale of Art Commission bus shelter posters, and for other Art Commission publications.
- The Art Commission is working with the Controller's Information Systems Division (ISD) to assess the Art Commission's computer system and the potential benefits of implementing a network system in order to increase the efficiency of the Art Commission.
- The Art Commission has had a zero overtime policy since FY 1992-93.

Ms. Gonchar reports that because of the anticipated reductions in Federal funding for arts programs, the Art Commission anticipates that there may be some negative impact on certain Federally funded arts programs, which are administered by the Arts Commission.

War Memorial

Mr. Greg Ridenour of the War Memorial advises that the War Memorial will submit a memo to the Budget Committee prior to the Budget Committee meeting of October 18, 1995, which outlines actions that the War Memorial has taken or is planning to take to increase departmental efficiencies. Mr. Ridenour reports that a representative of the War Memorial will be present at the Budget Committee meeting in order to respond to any questions.

Fine Arts Museum

Mr. Steve Dykes of the Fine Arts Museum advises that the Fine Arts Museum will submit a memo to the Budget Committee prior to the Budget Committee meeting of October 18, 1995, which describes the various actions that the Museum has taken or is planning to take to increase departmental efficiencies and/or reduce costs. Mr. Dykes reports that a representative of the Fine Arts Museum will be present at the Budget Committee meeting in order to respond to questions.

Asian Art Museum

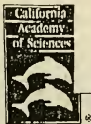
Attachment II is a memo from Ms. Emily Sano, Acting Director of the Asian Art Museum, which describes examples of some of the Museum's prior actions and plans for future actions to increase departmental efficiencies.

Public Library

City Librarian, Mr. Ken Dowlin, advises that the Public Library will submit a memo to the Budget Committee prior to the Budget committee meeting of October 18, 1995, which outlines (1) the impact of any reductions in Federal or State funding, (2) steps the Public Library is taking to address cost controls, and (3) steps the Public Library is taking to respond to the specific issues raised by the Budget Analyst during the FY 1994-95 budget process, including (a) the design of a usage allocation model to monitor client usage patterns of the Public Library and Branch libraries, and (b) an evaluation of the Branch Library and Technical Services Division staffing, as these staffing patterns relate to the usage allocation model.

Recreation and Park

Mr. Phil Arnold of the Recreation and Park Department advises that the Recreation and Park Department will submit a memo to the Budget Committee prior to the Budget Committee meeting of October 18, 1995, which outlines actions that the Recreation and Park Department has taken or is planning to take to increase departmental efficiencies. Mr. Arnold reports that a representative of the Recreation and Park Department will be present at the Budget Committee meeting in order to respond to any questions.



Steinhart Aquarium

October 13, 1995

Copy Sent Via FAX

The Honorable Tom Hsieh
Chair, Budget Committee
Board of Supervisors
410 Van Ness Avenue, Room 308
San Francisco, California 94102-4540

Dear Supervisor Hsieh:

The following is in response to your request on budget efficiencies for the Steinhart Aquarium.

1. *How will the Federal Budget impact your budget this year and over the next 7 to 9 years?*

The Steinhart Aquarium receives approximately \$1.5 million from the General Fund for direct operational costs. All indirect operational costs (i.e. general administrative, accounting) are assumed by the California Academy of Sciences. We anticipate little or no impact from the anticipated Federal Budget cuts at this time.

2. *What have been some of the budget saving ideas you have implemented in the past?*

In the past, the Aquarium has foregone major renovation of certain non-public areas differing such repairs for the major renovation project. An engineers position has been held open for the past two years.

3. *What, if any, are the budget saving plans you have included as part of this year's budget?*

We have continued to hold the vacant engineers position open despite the need to fill it. Current emphasis is focused on the public side of the facility and continued operation of the life support systems. We are presently deferring such routine maintenance items as painting in the non-public areas.

Mr. Tom Hsieh
October 12, 1995
Page 2

4. What savings or efficiency plans do you intend to pursue in the future?

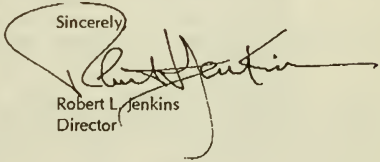
We will continue to defer routine maintenance items in non-public areas and will keep the vacant engineer's position open. The living collection will be maintained in its present size and not be expanded at this time.

5. What, if any, are the barriers-administrative, legislative or otherwise-hindering your department's ability to further pursue and implement measures to increase efficiency and reduce costs?

Presently, we cannot identify any such barriers. However, it must be emphasized that the Steinhart Aquarium presently houses one of the most significant collections of living aquatic life in North America. The present budget allowance does not fully provide for the husbandry of the living collection and continued maintenance of the public spaces central to the Aquarium in its present form. Likewise it does not allow for the expansion of the living collection or exhibit upgrades.

Please feel free to contact me at 750-7247 voice or 750-7269 FAX, if I may elaborate on any of the foregoing answers or answer any further questions. I look forward to the hearing on October 18th.

Sincerely,



Robert L. Jenkins
Director

RLVj

ASIAN ART MUSEUM
OF SAN FRANCISCO

October 12, 1995

The Honorable Tom Hsieh
Chair, Budget Committee
Board of Supervisors
410 Van Ness Avenue, Room 308
San Francisco, CA 94102-4540

Dear Supervisor Hsieh and Members of the Budget Committee,

In response to your request concerning budget efficiencies, I submit the following:

- a. *How will the Federal Budget impact your budget this year and over the next 7 to 9 years?*

The Asian Art Museum's budget is 24% funded by the Hotel Tax fund of the City of San Francisco. The remainder of our income comes from donations; grants from Federal agencies; foundations; corporations; endowment income and earned income. Reductions in Federal budget are expected to impact on our budget this year and in the future due to significant cuts in government funding to the NEA and NEH, and Institute for Museum Services. These agencies have been the source of important support to major exhibitions, collection research, publications and Museum operations. Therefore, in order to continue to carry out these activities, other, as yet unidentified, sources of income must be found.

- b. *What have been some of the budget saving ideas you have implemented in the past?*

In 1970, the City budget funded more than 90% of the Museum's operating costs. In the past twenty-five years, in spite of some increases to the City budget, the activity and staff the Museum also increased. In 1992 and 1993, the Museum instituted layoffs to reduce costs. Now the institution is understaffed, at a time when it should look forward to greater growth to prepare for the move to the Civic Center.

THE AVERY BRUNDAGE
COLLECTION

GOLDEN GATE PARK
SAN FRANCISCO
CALIFORNIA 94118
CABLE ASIANART
FAX (415) 608-8928
PHONE (415) 668-8921
TDD (415) 752-2635

Letter to Supervisor Hsieh
Page two
October 12, 1995

In the last two years, the Asian Art Museum has focused more precisely on marketing the potential of its major exhibitions, shop and rentals and have increased income through these activities. The Museum has established the practice of training and utilizing a number of volunteers to assist at the Information Desk and Shop, thereby reducing staff costs.

- c) *What if any, are the budget savings you have included as part of this year's budget?*

There were no recommendations to further savings in the current budget. However, the Museum is taking steps to further increase donations and contributions to the Museum. A new Development Director was hired in August to fill a position that had been vacant for nearly 12 months, and it is expected that a renewed fundraising effort will soon be in place.

Moreover, the Asian Art Museum and Fine Arts Museums mutually agreed to establish separate membership programs starting July 1, 1995. It is expected that a successful membership can also provide additional revenue to the Museum.

- d) *What savings or efficiency plans do you intend to pursue in the future?*

The Asian Art Museum at this moment has no opportunity for additional cost savings as it currently operates on a bare-bones budget that has been professionally criticized as inadequate. We have learned that an active, exciting exhibition program is the most effective method of assuring attendance revenue at the Asian/deYoung in Golden Gate Park, and we will endeavor to maintain this activity to keep the public profile of the Museum high.

The Museum conducted a thorough automation study during 1994-1995. It is apparent that a new institution-wide computer system network would increase department efficiency if funding can be found to install such a system.

The Museum hopes to purchase a new telephone system which will provide the capacity for voice mail, thereby making operations more efficient.

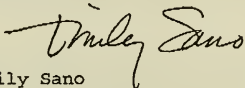
After a thorough review of the Accounting office, it is clear that new procedures can be put into place that would make the operation throughout the Museum smoother.

Letter to Supervisor Hsieh
Page 3
October 12, 1995

- e) *What, if any, are the barriers - administrative, legislative, or otherwise-hindering your department's ability to further implement measures to increase efficiency and reduce costs?*

The greatest single barrier in the area of cost efficiency is the pressing need to steadily increase staff and programming over the next five years to prepare for the move to Civic Center, and to institute new programs that will increase our audiences and make the New Asian a destination for the local community and for visitors to San Francisco.

Sincerely,



Emily Sano
Acting Director

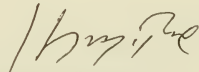
Memo to Budget Committee
October 18, 1995

Item 4 - File 100-95-12

Note: This item was continued by the Budget Committee at its meeting of October 3, 1995.

This item is a hearing concerning the long-term budget impacts that Federal budgetary reductions will have on the budget of the City and County of San Francisco over the next seven to nine years.

The Controller and the Budget Analyst will orally advise the Committee on any updated information obtained regarding the impacts which pending Federal budgetary reductions will have on San Francisco.


Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

SF
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#2
10/25/95

MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.

AUG 27 1996

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WEDNESDAY, OCTOBER 25, 1995 - 1:00 P.M. ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE.

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:07 P.M.

FISCAL ITEMS

1. File 100-95-1.1. [Reserved Funds, Department Human Resources]
Consideration of release of reserved funds, Department of Human Resources (1995-96 Budget), in the total amount of \$69,000 for professional services (Preferred Provider negotiations) for the Workers Compensation Division. (Department of Human Resources)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$69,000 APPROVED. FILED.

VOTE: 3-0.

2. File 100-95-1.2. [Reserved Funds, Department of Human Resources]
Consideration of release of reserved funds, Department of Human Resources, (1995/96 Budget), in the amount of \$63,000 for professional services contract to conduct the Federally Mandated Drug Testing Program for Safety-Sensitive Employees. (Department of Human Resources)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$63,000 APPROVED. FILED.

VOTE: 3-0.

GENERAL ITEM

3. File 78-95-4. [125 "Cafeteria Plan" Benefits] Resolution urging the Mayor to urge the Health Service System and the Department of Human Resources to expand benefits available in the current 125 Cafeteria Plan by going out to bid for the most competitive carrier and that the flexibility of the negotiated employer dependent health care pickups used in the 125 Plan be available to all City employees. (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Randall Smith, Director, Health Service System; Wendell Pryor, Executive Director, Department of Human Resources. IN SUPPORT: Joy Rivera-Olson; Larry Griffin, Local 21. OPPOSED: None.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING NEW TITLE PRESENTED IN COMMITTEE BY SUPERVISOR HSIEH. ADOPTED. AMENDMENT OF THE WHOLE RECOMMENDED. NEW TITLE: "Urging the Mayor to urge the Health Service System and the Department of Human Resources to expand benefits available in the current 125 Cafeteria Plan and to select a third party contractor through a competitive bid process to market the plan, process claims and reimbursements. Urging the Controller to provide necessary payroll and personnel services division support to assist in achieving the expansion of benefits available."

VOTE: 3-0.

FEES

4. File 97-95-53. [Environmental Review Fees and Energy Calculations] Ordinance amending the San Francisco Administrative Code, Chapter 13 by deleting Subsection 31.26(e) to eliminate certain energy calculations and by replacing Section 31.46 with Section 36.46A, and amending Subsections 31.46(a) et seq. to eliminate the December 31, 1995, Sunset Clause, incorporate existing fee surcharges, and adjust fees currently charged for environmental review actions, activities and procedures. (Department of City Planning)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Lu Blazej, Director, Department of City Planning; Harvey Rose, Budget Analyst; Ed Harrington, Controller; Alec Bash, Department of City Planning, Milton Edlin, Deputy Director, Department of City Planning; Ted Lakey, Deputy City Attorney. OPPOSED: John Erlich.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. In the title, line 4, replace "eliminate" with "extend"; on line 6; after "Clause" add " to September 30, 1996"; delete "incorporate existing fee surcharges". Delete reference to the 4.7 percent increased base fees. Delete reference to the 8.5 percent computerization surcharge. On Page 18, line 2, amend to read as follows: "(f) Period Section is Operative. This Section is effective July 1, 1991 and operative through September 30, 1996. This Section is repealed as of October 1, 1996, unless a later enacted ordinance extends the operative period. The Board of Supervisors shall review the appropriateness of extending this Section on an annual basis." Replace ((g)) to read "(g)". AMENDED TITLE: "Amending the San Francisco Administrative Code Chapter 31 by deleting Subsection 31.26(e) to eliminate certain energy calculation and by replacing Section 31.46 with Section 31.46A, and amending Subsections 31.46(a) et seq. to extend the December 31, 1995, Sunset Clause to September 30, 1996, and adjust fees currently charged for environmental review actions, activities and procedures."

VOTE: 3-0.

5. File 115-95-12. [Planning Fees] Ordinance amending Article 3.5 and Article 3.5A of the San Francisco Municipal Code (City Planning Code) by replacing Article 3.5 with Article 3.5A and amending Sections 350 et seq. to eliminate the December 31, 1995, Sunset Clause, incorporate existing fee surcharges, impose new fees and adjust fees currently charged for Department of City Planning actions, activities and services. (Department of City Planning)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Lu Blazej, Director, Department of City Planning; Harvey Rose, Budget Analyst; Ed Harrington, Controller; Alec Bash, Department of City Planning, Milton Edlin, Deputy Director, Department of City Planning; Ted Lakey, Deputy City Attorney.
OPPOSED: John Erlich.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. In the title on line 4, replace "eliminate" with "extend". On line 5, after "Clause" add "to September 30, 1996". Delete "incorporate existing fee surcharges". Delete reference to the 4.7 percent increased base fees. Delete reference to the 8.5 percent computerization surcharge. On Page 39, line 11, replace "December 31, 1995" with "September 30, 1996." line 12, replace "January 1" with "October 1"; Delete "(())" around Section 359. Add the following on line 13, "The Board of Supervisors shall review the appropriateness of extending this article on a annual basis thereafter." AMENDED TITLE: "Amending Article 3.5 and Article 3.5A of the San Francisco Municipal Code (City Planning Code) by replacing Article 3.5 with Article 3.5A and amending Sections 350 et seq. to extend the December 31, 1995 Sunset Clause to September 30, 1996, impose new fees and adjust fees currently charged for Department of City Planning actions, activities and services."

VOTE: 3-0.

HEARING

6. File 100-95-11. [Government Efficiency] Hearing to consider ways to increase efficiency and reduce costs in the City's general administration and finance departments (Chief Administrative Officer, Convention Facilities Management, Mayor, Children's Fund, Board of Supervisors, City Attorney, Treasurer-Tax Collector, Controller, Purchaser, Assessor, Recorder, Registrar of Voters, City Planning, Permit Appeals, Rent Arbitration Board, Real Estate, Civil Service, Human Resources, Retirement System, Ethics Commission). (Supervisor Hsieh)

SPEAKERS: ELECTED OFFICIAL: Honorable Louise H. Renne, City Attorney; Honorable Mary Callanan, Treasurer; Honorable Doris M. Ward, Assessor. DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller; Bill Lee, Chief Administrative Officer; Teresa Serata, Budget Director, Office of the Mayor; Pam David, Mayor's Office of Community Development; Mark Troltz, Mayor's Homeless Coordinator; Joe LaTorre, Mayor's Office of Housing; Anthony Lincoln, Mayor's Office of Children, Youth and Their Families; John L. Taylor, Clerk of the Board, Board of Supervisors; Richard Sullivan, Tax Collector. Marvin Geistlinger, Director, Purchasing Department; Gregory Diaz, County Clerk/Recorder; Robert Feldman, Executive Director, Board of Permit Appeals; Joe Grubb, Director, Rent Board; Tony Delucchi, Director, Real Estate Department; Wendell Pryor, Executive Director, Department of Human Resources; Clare Murphy, General Manager, Retirement System Board; Jane Rubin, Executive Director, Ethics Commission. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. REVIEW OF CIVIL SERVICE COMMISSION NOT GIVEN. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

7. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)

SPEAKER: DEPARTMENTAL REPRESENTATIVE: Ed Harrington, Controller. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO NOVEMBER 1, 1995, MEETING.

VOTE: 3-0.

TIME MEETING ADJOURNED: 4:24 P.M.

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Public Library, Documents Dept.

Attn: Kate Wingerson

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

October 20, 1995

TO: Budget Committee
FROM: Budget Analyst Reasoned
SUBJECT: October 25, 1995 Budget Committee Meeting

DOCUMENTS DEPT.

OCT 24 1995

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Item 1 - File 100-95-1.1

Department: Human Resources Department (HRD)
Workers Compensation Division (WCD)

Item: Request to release reserved funds in the amount of \$69,000 for a professional services contract for the Workers Compensation Division.

Amount: \$69,000

Source of Funds: General Fund - Reserved under Professional Services in the Human Resources Department's FY 1995-96 budget

Description: During the FY 1995-96 annual budget review, the Board of Supervisors placed \$69,000 on reserve for a professional services contract for the Workers Compensation Division (WCD) of the Human Resources Department (HRD), pending further justification for the contract and identification of specific contractors and their MBE/WBE status.

In November of 1994, the Employees Retirement System (ERS), which at that time had jurisdiction over the Workers Compensation Division, solicited bids from firms to assist in contract negotiations with the City's new workers

compensation treatment facility, San Francisco General Hospital (SFGH). Two bids were submitted, one from Ernst and Young and one from Hanson, Bridgett, Marcus, Vlahos & Rudy, Attorneys at Law. Neither of these firms is a WBE or MBE firm. Ernst and Young estimated the project would require 40 hours of work at an hourly rate of \$250, for a total of \$10,000. The hourly rate for Hanson, Bridgett, Marcus, Vlahos & Rudy, Attorneys at Law was \$175 for an estimated 45 hours of work, or a total of \$7,875. Although Ernst and Young was not the low bidder, the contract was awarded to Ernst & Young based on its more extensive experience in working with medical services providers.

Based on Ernst and Young's prior involvement in negotiating the new treatment facility contract, the HRD awarded a second contract in the amount of \$69,000 to Ernst and Young to perform the following services: (1) evaluate the volume and cost of medical services provided by outside physicians and hospitals and design a preferred provider network of the WCD's most frequently used physicians; and (2) assist the WCD in developing additional programs to reduce medical costs for the work-related injuries of City employees. The \$69,000 contract amount is based on an hourly rate of \$250 for a maximum of 276 hours of service.

The estimated savings in workers compensations claims costs which would directly result from this contract are \$300,000 for FY 1995-96, according to the WCD.

Comments:

1. Attached is a memo provided by the HRD which outlines the scope of the contractor's work and how the contractor plans to achieve the estimated \$300,000 savings.
2. The HRD reports that the \$300,000 in estimated savings resulting from this contract are not accounted for in the WCD's FY 1995-96 budget but would be reflected through a reduction of \$300,000 in workers compensation benefit expenditures in FY 1995-96. This amount, in turn, would assist in reducing the projected FY 1995-96 budgetary shortfall for workers compensation, which the Budget Analyst has previously estimated to be \$2.2 million for General Fund workers compensation expenditures.

Recommendation: Approve the requested release of \$69,000 in reserved funds.

ERNST & YOUNG LLP

■ Suite 1700
355 California Street
San Francisco, California 94104

■ Phone: 415 951 3030

March 24, 1995

Mr. Brian Narlock
Workers Compensation Manager
City and County of San Francisco
1155 Market Street
San Francisco, CA. 94103


Post-It* Fax Note 7671		Date	# of pages 2
To Karen Koss	From Y. Med		
Co./Dept. HMR Inc.	Co.		
Phone #	Phone # 554-1778		
Fax # 252-0461	Fax #		

RE: WORKERS COMPENSATION MANAGED CARE CONSULTING PROPOSAL

Dear Brian:

Per today's discussion with you and Mary Ellen, I have outlined the following consulting activities designed to assist the City and County of San Francisco get a better grip on its workers compensation costs. The scope of this work follows today's discussion and is predicated on funding from your Noetics/Reviewco contract. Starting in April 1995, we propose to carry out the following tasks:

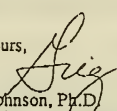
1. Develop a customized preferred provider network. Our initial research indicated that nearly 80% of your top 100 paid physicians are not under the CompAlliance contract. These physicians received approximately \$3,000,000 from the City in the past year without giving discounts. An average ten percent discount from these providers would generate \$300,000 in savings to the City. (I believe ten percent is a conservative number) Moreover, this new contract would obligate the providers to cooperate with the protocols and referral patterns from your new primary care contract with Mt. Zion and S.F. General. Aside from the top 100 physicians, we would identify other providers to be solicited for this contract. We would target 80 to 100 providers for completed contracts by September 1995. Our total fees for contract development and completed negotiations would not exceed \$42,500.
2. Strategic Analysis of your Medical Bill Data. As we have learned in working with Reviewco data, there are vast quantities of data in their system that will help the City understand its costs and plan for ways to control these costs. We will be available to assist you on an as needed basis in analyzing these data. Total fees for this work will not exceed \$11,500.
3. Advice on Medical Management Best Practices. We will analyze your current medical management practices, especially in the areas of medical and disability management. We will compare these activities to best practices in the industry and make recommendations for improvement. Total fees for this work will not exceed \$8,500.

 ERNST & YOUNG LLP

4. Review and Develop Recommendations for Your Bill Review Contract: We will analyze your existing contract and suggest ways it can be improved upon renewal to give The City a better return on its investment. My experience has shown that minor contract changes can generate hundreds of thousands in savings for the Payor. Total fees for this work will not exceed \$6,500.

Brian, thank you again for offering Ernst and Young the opportunity to continue our work with The City in your efforts at workers compensation cost control. Please do not hesitate to call me at your earliest convenience if you have any questions about this proposal at 951-3310.

Very truly yours,



Gregory L. Johnson, Ph.D.
Director, Workers Compensation Consulting

Item 2 - File 100-95-1.2

Department: Department of Human Resources (DHR)

Item: Requesting release of reserved funds, in the amount of \$63,000 for a professional services contract to conduct the Federally Mandated Drug Testing Program for Safety-Sensitive Employees.

Amount: \$63,000

Source of Funds: General Fund - Reserved under Professional Services in the Department of Human Resources FY 1995-96 budget

Description: In July of 1995, the Board of Supervisors approved an appropriation in the FY 1995-96 budget, in the amount of \$63,000, for a professional services contract for the Department of Human Resources (DHR) to conduct the Federally mandated drug testing program. These funds, in the amount of \$63,000, were placed on reserve by the Board of Supervisors pending the selection of a contractor, the MBE/WBE status of the contractor, and submission of budget details.

The Omnibus Transportation Employee Testing Act of 1991 requires alcohol and drug testing of safety-sensitive employees in the aviation, motor carrier, railroad and mass transit industries. The Federal Department of Transportation defines a safety-sensitive employee as any vehicle or equipment operator (driver) who holds a commercial drivers license and is required to operate; a) a commercial motor vehicle with a gross combination weight of 26,001 pounds or more, b) a vehicle designed to carry 16 or more passengers, or c) a vehicle of any size which is used in the transportation of hazardous materials.

The following is a list of 306 employees, that as of October 15, 1995, are currently employed by the City and County of San Francisco, who fall within a safety-sensitive category (as identified by DHR):

Memo to Budget Committee
October 25, 1995

<u>Classification & Title</u>	<u>Department</u>	<u>No. of Employees</u>
3434 Tree Topper	Recreation & Parks	6
3436 Tree Topper Supervisor I	Recreation & Parks	1
6220 Inspector of Weights & Measures	County Agriculture	3
7108 Heavy Equipment Operator Asst.	Recreation & Parks	1
7110 Mobile Equipment Asst. Supervisor	Airports Commission	1
7208 Heavy Equipment Operations Supervisor	Recreation & Parks	1
7210 Mobile Equipment Supervisor	Public Works	2
7220 Asphalt Finisher Supervisor I	Airports Commission	1
7229 Transmission Line Supervisor	Hetch Hetchy	2
7249 Automotive Mechanic Supervisor I	Airports Commission	1
7254 Automotive Machinist Supervisor I	Water	1
7254 Automotive Machinist Supervisor I	Purchasing	3
7257 Communication Line Supervisor I	Electricity & Telecomm.	1
7306 Auto Body and Fender Worker	Purchasing	1
7306 Auto Body and Fender Worker	Airports Commission	1
7313 Automotive Machinist	Purchasing	19
7313 Automotive Machinist	Airports Commission	5
7313 Automotive Machinist	Port	1
7313 Automotive Machinist	Water	10
7315 Automotive Machinist Supervisor	Purchasing	1
7315 Automotive Machinist Supervisor	Airports Commission	1
7325 General Utility Mechanic	Hetch Hetchy	1
7328 Operating Engineer, Universal	Recreation & Parks	4
7328 Operating Engineer, Universal	Airports Commission	4
7328 Operating Engineer, Universal	Hetch Hetchy	2
7328 Operating Engineer, Universal	Port	1
7328 Operating Engineer, Universal	Public Works	12
7328 Operating Engineer, Universal	Water	14
7330 Sr. General Utility Mechanic	Hetch Hetchy	1
7338 Electrical Line Worker	Electricity & Telecomm.	5
7338 Electrical Line Worker	Hetch Hetchy	4
7355 Truck Driver	Public Works	95
7355 Truck Driver	Airports Commission	11
7355 Truck Driver	Port	8
7355 Truck Driver	Recreation & Parks	8
7355 Truck Driver	Hetch Hetchy	8
7355 Truck Driver	Water	17
7381 Automotive Mechanic	Port	1
7381 Automotive Mechanic	Purchasing	2
7381 Automotive Mechanic	Airports Commission	3
7382 Auto Mechanic Asst. Supervisor	Purchasing	1
7395 Ornamental Iron Worker	Port	4
7410 Automotive Service Worker	Airports Commission	5
7410 Automotive Service Worker	Water	3
7410 Automotive Service Worker	Purchasing	3
7432 Electrical Line Helper	Electricity & Telecomm.	1
7502 Asphalt Worker	Port	1
8304 Deputy Sheriff	Sheriff	10
8308 Sheriff's Sergeant	Sheriff	1
9331 Pile Driver Engine Operator	Port	1
9332 Pile Driver, Supervisor I	Port	1
9342 Ornamental Iron Worker Supervisor	Port	1
H2 Firefighter	Fire	10

TOTAL NUMBER OF SAFETY-SENSITIVE EMPLOYEES

306

BOARD OF SUPERVISORS
BUDGET ANALYST

The DHR is now requesting the release of \$63,000 to conduct the Federally Mandated Drug Testing Program for Safety-Sensitive Employees. The \$63,000 request would be expended as follows:

Budget:

<u>Personnel - (DHR)</u>	<u>FTE</u>		
Personnel Analyst (coordination and oversight of drug testing program)	.30	\$14,438	
Fringe Benefits		<u>2,686</u>	
Total Personnel			\$17,124
<u>Contractual Services - (DATCO)</u>			
Basic Testing Services*			
335 employees @ \$10.33/per test		\$ 3,460.55	
Annual Costs (\$3,460.55 x 12 months)			41,527
Drug and Alcohol Testing**			
Drug Tests			
50% of Pool Tested for Drugs = 167.5			
167.5 employees @ \$15/employee/year			2,512
Alcohol Tests			
25% of Pool Tested for Alcohol = 83.75			
83.75 employees @ \$10/employee/year			837
<u>Materials & Supplies</u>			<u>1,000</u>
TOTAL FUNDS REQUESTED			<u>\$63,000</u>

* According to Ms. Rachel Robbins of the DHR, DATCO charges a base rate of \$10.33 a month per safety-sensitive employee for basic testing services, which include training for departments with safety-sensitive positions, the establishment and maintenance of an accurate employee database and the database management necessary to generate purely random lists of eligible employees for alcohol and drug testing. Under this random selection process, an employee may get selected to test for a) only the drug test, c) only the alcohol test, d) both the drug and alcohol test or, e) neither the drug nor alcohol test during the course of a year. The 335 employees represent the average number of safety-sensitive employees that were subject to testing over the past seven months.

** From a random list of the employee classifications noted above, 50% (approximately 167.5 employees) of the pool will be tested for drugs and 25% (approximately 83.75 employees) of the pool will be tested for alcohol by the end of the year.

Comment:

According to Ms. Robbins, the contractor, Drug and Alcohol Testing and Compliance (DATCO), selected to administer the alcohol and drug testing to safety-sensitive employees, was not selected through an official Request for Proposal (RFP) process because the Federal legislation requiring drug testing took effect January 1, 1995 and required immediate compliance. Ms. Robbins advises that failure to comply with the Federal mandate carries a fine of \$10,000 per employee per day.

Therefore, Ms. Robbins advises that the DHR conducted an informal survey of drug testing vendors to provide all of the services required by the Federal mandate, and found that the majority of the vendors were only able to comply with certain provisions of the legislation, but not all of them, meaning that the City would have had to contract with numerous vendors to fully comply with the Federal legislation. According to Ms. Robbins, DATCO, a full service contractor, which is not an MBE or WBE firm, was awarded the contract based on their ability to provide all of the services required by the Federal legislation.

Recommendation: Approve the release of reserved funds in the amount of \$63,000.

Item 3 - File 78-95-4

- Department:** Department of Human Resources (DHR),
Health Service System (HSS)
- Item:** Resolution urging the Mayor to urge the Health Service System and the Department of Human Resources to expand benefits available in the current 125 Cafeteria Plan by going out to bid for the most competitive carrier and that the flexibility of the negotiated employer dependent health care pickups use in the 125 Cafeteria Plan be available to all City employees.
- Description:** This report is based on an Amendment of the Whole that is to be submitted to the Budget Committee at its October 25, 1995 meeting.

In 1988, the City's Health Service Board established an employee cafeteria plan ("125 Cafeteria Plan") pursuant to Section 125 of Title 26 of the Internal Revenue Service (IRS) Code. The 125 Cafeteria Plan is administered by the Health Service System (HSS), a division of the Department of Human Resources, pursuant to the City's Administrative Code, Section 16.902.

The purpose of a Federal 125 Cafeteria Plan is to allow City employees to utilize pre-tax salary dollars to pay for specified fixed costs, such as childcare services or health care premium costs. Therefore, under the 125 Cafeteria Plan, a City employee may elect to have a specified amount of money deducted from his/her gross earnings, before taxes are taken out, to be used for the payment of any of the four benefits currently offered under the City's existing 125 Cafeteria Plan. These benefits include: (1) Health Insurance Premiums, (2) Dental Insurance Premiums, (3) Disability Insurance Premiums, for a short-term voluntary accident/sickness disability plan offered as a benefit in the 125 Cafeteria Plan, and (4) the Dependent Care Program. These benefits are described as follows:

Health and Dental Insurance Premiums

Under the 125 Cafeteria Plan, City employees have the option of paying for the premiums associated with their respective health and dental insurance plans using pre-tax gross earnings.

Disability Insurance Premiums

Under the 125 Cafeteria Plan, the HSS offers a short-term voluntary accident/sickness disability plan. Employees that elect to participate in this plan may use pre-tax gross earnings to pay for the premiums associated with this plan. The HSS has contracted with the Colonial Life & Accident Insurance Company to administer HSS's disability plan.

Dependent Care Program.

Under the 125 Cafeteria Plan, City employees may use pre-tax earnings to pay for child care for children under 13 years of age and custodial care for a spouse or a dependent who is incapable of self-care. The HSS contracts with BenefitAmerica to provide claims administration. Claims administration includes verifying the claims submitted by employees, issuing checks, and maintaining a record of debits and credits to the employees accounts. The administrative cost to participate in the Dependent Care Program is \$60 per employee annually, which would normally be paid by the employees to BenefitAmerica through a payroll deduction. However, Mr. Randy Smith, Executive Director of the Health Service System, advises that since 1991, the administrative fee of \$60 per employee is being paid for with forfeited funds from prior employee contributions to the Dependent Care Program. Mr. Smith advises that under the IRS Code, pre-tax dollar contributions to the 125 Cafeteria Plan must be used by June 30 of each year, or the funds are forfeited.

The IRS Code allows for the provision of more benefits than are currently provided under the 125 Cafeteria Plan offered by HSS, including such benefits as Long-term Disability Insurance, Accidental Death and Dismemberment Insurance, and a Health Care Spending Account. The purpose of the proposed resolution is to urge the Health Service System and the Department of Human Resources to expand the benefit options available under the current 125 Cafeteria Plan, and to urge the Controller to assist in modifying the current payroll deduction system, in order to accommodate such additional benefits. In order to add new benefits to the 125 Cafeteria Plan, these benefits must be specifically adopted for inclusion in the 125 Cafeteria Plan by the Health Service Board. In addition, expansion of such benefits requires separate approval by the Board of Supervisors.

Comments:

1. Mr. Randy Smith, Executive Director of HSS, advises that on July 1, 1996, the HSS is considering the expansion of the number of available 125 Cafeteria Plan benefits to include a Health Care Spending Account. The Health Care Spending Account would allow employees to use pre-tax dollars to pay

for health care costs not currently included in their health plans, including co-payments, deductibles, specific dental orthodontics, psychiatric care, and prescription eye care costs. Mr. Smith advises that additional benefits which the HSS is currently considering for inclusion in the City's 125 Cafeteria Plan include Accidental Death and Dismemberment Insurance, Term-Life Insurance, and Long-Term Disability Insurance.

2. Mr. Smith advises that any administrative costs related to the expansion of benefits in the 125 Cafeteria Plan would be assessed either as an administrative fee to employees, or absorbed by contractors, or shared by both, such as the administrative fee of \$60 for the Dependent Care Program. Mr. Smith advises that such administrative costs associated with the expansion of benefits would depend on the specific benefits offered.

3. Mr. John Madden of the Controller's Office advises that the costs associated with the modification of the payroll deduction system would depend on the specific benefits offered. However, Mr. Madden advises that these modifications could be implemented at minimal costs.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Items 4 and 5 - Files 97-95-53 and 115-95-12

Department: Department of City Planning

Items: **Item 4, File 97-95-53** Ordinance amending Administrative Code Chapter 31 by deleting Subsection 31.269(e) to eliminate certain energy calculations (see Part F below) and replacing Section 31.46 with Section 31.46A, and amending Subsections 31.46(a) Et Seq. to eliminate the December 31, 1995 Sunset Clause, incorporate existing fee surcharges, and adjust fees currently charged for environmental review actions, activities and procedures.

Item 5, File 115-95-12 Ordinance amending Article 3.5 and Article 3.5A of the San Francisco Municipal Code (City Planning Code) by replacing Article 3.5 with Article 3.5A and amending Sections 350 Et Seq. to eliminate the December 31, 1995 Sunset Clause, incorporate existing fee surcharges, impose new fees and adjust fees currently charged for Department of City Planning actions, activities, and services.

Description: The proposed ordinances would amend Article 3.5 and Article 3.5A of the City Planning Code, and sections of Administrative Code Chapter 31, to increase the fees charged by the Department of City Planning, and make other changes as described below.

The Department of City Planning imposes more than 60 types of fees, for a variety of services, applications, reports, and permits which are required in accordance with the Department's planning, zoning, and environmental review responsibilities. The fees range in amount from \$17 for an annual subscription to the weekly Planning Commission Agendas to more than \$100,000 for, for example, a planned unit development permit for a construction project costing over \$50 million.

In general, the DCP fee structure is related to the construction cost of a project but also contains provisions designed to allow the DCP to recover up to the limit of their actual costs associated with conducting planning, zoning, and environmental review activities. The DCP's fee structure was last amended in May of 1995 when the Board of Supervisors adopted Planning Code amendments which included some fee increases, an extension of the Department's computerization surcharge to June 1996 (see below), and provisions detailing the Department's ability to recover its cost of time and materials for processing applications and permits (Files 115-95-2 and 97-95-27).

Following are the proposed changes in the subject legislation to the Planning Department's fee structure:

A. Removal of 1991 "Sunset Clause"

The amounts charged for most DCP permits and reviews was increased in 1991, based on a need to improve customer service by the Department and provide shorter and more predictable processing times for permits and applications by hiring additional staff. A December 1993 "Sunset Clause" was included in the 1991 fee legislation requiring that the Planning Commission and the Board of Supervisors review the need for the increased fees with a public hearing, and adopt legislation retaining the increased fees if the Planning Commission and the Board of Supervisors believed such fees were necessary. Such legislation was adopted by the Planning Commission, and by the Board of Supervisors, in 1993 and again in 1994. The proposed ordinance would remove the "Sunset Clause," meaning that annual review of the existing fees would no longer be required by the Board of Supervisors, and thus make the existing fee levels permanent. The Department reports that the existing fee levels have, in part, allowed DCP to eliminate its backlog of work and meet performance targets, and should be continued so that sufficient staff can be employed to continue to meet such performance targets.

B. Increasing DCP Fees by 4.7 percent For Labor Costs

The proposed ordinance would increase DCP fees by 4.7 percent which would allow the Department to fill up to 5 existing budgeted but vacant positions. The Department reports that these fee revenues are needed due to increased salary and fringe benefit costs resulting from labor agreements reached in 1995 with the International Union of Professional and Technical Engineers Local 21, the Service Employees International Union Local 790, and the Municipal Executives Association (See Comment No. 6 below).

C. Including Computer Surcharge in DCP Base Fees

In addition to the DCP's base fees, a surcharge of 10 percent has been added to all fees from 1991 to May of 1995, when it was reduced to 8.5 percent and extended to June of 1996, to provide funds for computerization of the Department's operations. The proposed ordinance would end this surcharge, but increase the base fees imposed by the DCP by the amount of the surcharge (8.5 percent). The Department reports that computerization is a part of the DCP's ongoing

operational costs, and that these funds are necessary to allow the Department to continue to maintain existing computer facilities, and upgrade to new computer equipment as required to maintain sophisticated planning capabilities and efficient permit processing. (See Comment No. 8 below).

D. "Pass-through" of Postage Increase

The proposed ordinances would "pass through" the 10 percent postage increase of 1995, by increasing fees that are largely dependent on postage costs, such as the fee for a subscription to the weekly Planning Commission agendas.

E. Maintain 4.5 Percent Surcharge for 1660 Mission

A surcharge of 4.5 percent is currently added to all DCP fees to provide funds for financing the Certificates of Participation for purchase by the City of the building at 1660 Mission Street, where the DCP is now housed. The proposed ordinance would maintain this surcharge unchanged. The 1660 Mission surcharge is set to increase to approximately 6.5 percent in FY 2000-2001, and will end in FY 2004-2005, in accordance with the financing plan for 1660 Mission, according to Mr. Larry Jacobson of the Real Estate Department.

F. Deleting Energy Provisions in Administrative Code

The proposed ordinances would remove a provision in the San Francisco Administrative Code that requires Draft Environmental Impact Reports (DEIRs) to include calculations showing daily and annual gas and electricity consumption in proposed projects. The DCP reports that the energy provisions in the Administrative Code have long since been superseded by State and local building codes which require that buildings include energy conservation features. The proposed ordinances would retain language specifying that if a project is not subject to the State energy conservation codes, the DCP may choose to analyze energy features in the DEIR if appropriate.

Comments:

1. The proposed ordinances, if adopted, would become effective 30 days after final approval by the Board of Supervisors and the Mayor. All increased DCP fees would apply to applications filed after that date.
2. Attachment I, provided by the Department of City Planning, shows the existing DCP fees, the proposed new DCP fees, and the percentage increase in fees. On average, the fee increases proposed in these ordinances would increase

BOARD OF SUPERVISORS
BUDGET ANALYST

base DCP fees by approximately 13.2 percent, through including the 8.5 percent computerization surcharge as part of the base fees, and adding a 4.7 percent increase to fill up to 5 existing vacant positions and to provide funds for increased labor costs through the base fees. Actual fees paid by applicants would increase an average of 4.7 percent, as applicants currently already pay the 8.5 percent for computerization as a surcharge. The pass-through of the 1995 postage increase results in a minimal proportion of the proposed average fee increase. As noted above, the building financing surcharge of 4.5 percent would be retained at the same rate as a surcharge on all fees.

3. Currently, the DCP projects FY 1995-96 revenues, excluding the building and computer surcharges, of \$3,706,012, based on its first quarter receipts. This projected amount is \$200,362 greater than the fee revenues of \$3,505,650 projected in the DCP's FY 1995-96 budget as adopted by the Board of Supervisors.

4. If the proposed ordinances were adopted, Mr. Alec Bash of the DCP reports that the DCP's total projected fee revenues for FY 1995-96, excluding the building and computer surcharges, would increase by \$80,000, bringing the total projected fee revenue amount to \$3,786,012 for FY 1995-96. The revenue increase of \$80,000 is based on the fee increases proposed in these ordinances being effective for approximately 6 months of the 1995-96 fiscal year, from January 1, 1996 through June 30, 1996. On an annual basis, the 4.7 percent fee increase would generate approximately \$160,000, according to Mr. Bash. The 8.5 percent computer surcharge generates approximately \$297,000 on an annual basis.

5. The Department of City Planning's FY 1995-96 budget as approved by the Board of Supervisors did not include the increased fees described above. Mr. Bash reports that the Department needs all of the \$80,000 estimated increase in fees to be generated in FY 1995-96 to fund an estimated \$154,827 budget deficiency required for salary and benefit costs to fill up to 5 existing positions. These 5 positions are budgeted but vacant, and the Department advises that such positions need to be filled in order to accommodate the workload currently being experienced by the Department.

6. Mr. Bash advises that the DCP cannot realistically achieve the salary savings amount imposed by the Mayor's Office in the FY 1995-96 budget without negatively affecting service to the public including backlogs in application processing. The proposed 4.7 percent increase in DCP fees

would allow the DCP to fill up to 5 existing vacant positions that would otherwise have to be held vacant to achieve the salary savings imposed by the Mayor's Office in the FY 1995-96 budget, according to Mr. Bash. The DCP intends to submit a supplemental appropriation request to the Board of Supervisors at a later date in order that sufficient salary funds are appropriated to the DCP, according to Mr. Bash. However, the DCP did not indicate at the time of the Board of Supervisors annual budget review, approximately four months ago, that additional fees or surcharges were needed to cover such increased costs. In fact, the Budget Analyst was told during the budget review that the Department could live with the increased level of salary savings imposed by the Mayor's office. In addition, as noted above, the DCP is currently projecting that it will collect \$200,362 more in fee revenues during FY 1995-96 than it originally projected, which would easily fund the \$154,827 projected shortfall in salary and benefit costs. The Budget Analyst recommends that the Board of Supervisors not approve a 4.7 percent increase for labor costs as an addition to the DCP's base fees. Mr. Richard Hillis of the Mayor's Office of Management and Budget reports that the Mayor's Office concurs with this recommendation of the Budget Analyst.

7. Mr. Bash advises that because of the increased workload now being experienced by the DCP, that, in addition to needing to fill the 5 existing budgeted but vacant positions, the DCP is planning to request additional new positions, and that both the higher current revenue amount generated from existing fees now projected by the Department, and the revenues which would be generated by the 4.7 percent increase proposed in this legislation, would be needed to meet the Department's staffing requirements. The Budget Analyst recommends that if the Department proposes new positions in the future, the justification for such positions, and the funding needs to support such new positions, be considered in the FY 1996-97 budget process in context with all other priorities of the Board of Supervisors.

8. In May of 1995, the Budget Analyst recommended, and the Board of Supervisors approved, a DCP request to extend the computerization surcharge described above to June of 1996. At that time, the DCP represented to the Board of Supervisors that FY 1995-96 would be the last year that such a computerization surcharge would be necessary, and that with the funds generated by the surcharge during FY 1995-96 (estimated at \$297,000), the Department would be able to upgrade all DCP computers that required such an upgrade to 486 or Pentium microprocessors, and that the Department's computer requirements would be "stable" at that point. In

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BUDGET ANALYST

addition, the Budget Analyst notes that the computerization surcharge has previously been justified at the 8.5 percent level by the Department in order to make major capital purchases of computer equipment, not to fund "ongoing" costs. The Budget Analyst notes that the Department will still be able to collect the computerization surcharge until June of 1996, in accordance with the Board of Supervisors prior approval of an extension of the computerization surcharge to that date. The Budget Analyst recommends that the Department's future needs for funding additional computer equipment and maintenance be evaluated in the FY 1996-97 budget process, in context with all other priorities of the Board of Supervisors, and that the Board of Supervisors not approve the 8.5 percent computerization surcharge as an addition to the DCP's base fees at this time.

9. Attachment 2, provided by the DCP, is the Department's written response to the Budget Analyst's recommendations contained in this report.

- Recommendations:**
1. **File 115-95-12** Approval of the proposed elimination of the "Sunset Clause," which would eliminate the requirement that the Board of Supervisors conduct an annual review of existing DCP fees, is a policy matter for the Board of Supervisors.
 2. **Files 97-95-53 and 115-95-12** In accordance with Comment No. 6 above, do not approve a 4.7 percent increase in DCP base fees to provide additional funds to fill vacant positions since the Department already projects more than sufficient revenues to pay for these positions in FY 1995-96.
 3. **Files 97-95-53 and 115-95-12** In accordance with Comment No. 8 above, do not approve the addition of the 8.5 percent computerization surcharge to the DCP base fees.
 4. **Files 97-95-53 and 115-95-12** Approve the 10 percent increase for DCP fees which are dependent on postage costs, such as a subscription to Planning Commission agendas.
 5. **Files 97-95-53 and 115-95-12** Approve the amendment to Administrative Code Chapter 31 removing superseded energy analysis requirements from the DEIR process.
 6. **Files 97-95-53 and 115-95-12** Approve the proposed ordinances, as amended.

S. F. Planning Department Fee Comparisons

Attachment 1
Page 1 of 2

The following table compares existing Planning Department fees with the Planning Department fee proposal. Building permit application fees of the Department of Building Inspection are presented alongside for informational purposes.

Factors for consideration:

Increased Labor Costs for Fiscal Year 1995-95:

4.7%

Local 790, Local 21, MEA

FY95-96 Computerization Surcharge:

8.5%

Included within City Planning Code

1660 Mission Street Building Acquisition Surcharge:

4.5%

Included within Administrative Code

Type Fee	Estimated Construction Cost	July 1995 Fee (w. computer surcharge, but not 1660 Mission St.)	Percentage Change (Increase or Decrease)	Planning Fee Proposal (w. computer surcharge & labor costs)	Department of Building Inspection Fee
Building Permit (Note: The normal fee is reduced by 50% for windows & doors approved at Construction Services Center)	Construction Cost \$500 or less \$1,000 \$2,000 \$5,000 \$10,000 \$50,000 \$100,000 \$500,000 \$1,000,000 \$5,000,000 \$10,000,000 \$100,000,000 None	\$98 \$152 \$217 \$315 \$369 \$458 \$564 \$1,335 \$2,257 \$9,624 \$17,761 \$154,471 \$206 + T&M	-48.8% -34.2% -7.8% -12.6% 1.7% 26.2% 46.2% 81.7% 73.9% 65.5% -10.3% -89.7% 4.4%	\$50 \$100 \$200 \$275 \$375 \$575 \$825 \$2,425 \$3,925 \$15,925 \$15,925 \$15,925 \$215 + T&M	\$40 \$75 \$153 \$226 \$348 \$1,117 \$1,702 \$3,635 \$10,010 \$43,460 \$85,272 \$837,897 N/A
Sign Permit		\$98	4.5%	\$102	
Demolition Permit		\$434	3.7%	\$450	
Fire/Police/Health		\$49	2.4%	\$50	
Variance, Conditional Use, Planned Unit Development, Coastal Zone Permit	Construction Cost less than \$10,000 \$10,000 \$1,000,000 \$5,000,000 \$10,000,000 \$20,000,000 \$50,000,000 \$100,000,000 None	\$868 \$1,085 \$5,985 \$30,022 \$54,766 \$80,806 \$139,605 \$192,629 \$1,085 + T&M	15.2% -7.8% 4.4% 4.7% 4.9% 4.5% -39.5% -56.2% -7.8%	\$1,000 \$1,000 \$6,247 \$31,447 \$57,447 \$84,447 \$84,447 \$84,447 \$1000 + T&M	

S. F. Planning Department Fee Comparisons

Attachment 1
Page 2 of 2

Type Fee	Estimated Construction Cost	July 1995 Fee (w. computer surcharge, but not 1860 Mission St.)	Percentage Change	Planning Fee Proposal (w. computer surcharge & labor costs)
Landmark		\$271	-7.8%	\$250
Historic District		\$1,085 + T&M	-7.8%	1000 + T&M
Certificate of Appropriateness	Construction Cost less than \$1,000	\$217	3.7%	\$225
	\$1,000	\$434	3.7%	\$450
	\$10,000	\$1,085	-7.8%	\$1,000
	\$1,000,000	\$5,985	4.4%	\$6,247
	\$5,000,000	\$30,022	4.7%	\$31,447
	\$10,000,000	\$54,766	4.9%	\$57,447
	\$20,000,000	\$80,808	4.5%	\$84,447
	\$30,000,000	\$107,790	-21.7%	\$84,447
	\$50,000,000	\$139,605	-39.5%	\$84,447
	\$100,000,000	\$192,629	-56.2%	\$84,447
	None	\$1,085 + T&M	-7.8%	\$1,000
Reclassification of Property	1 Block	\$3,255	4.5%	\$3400 + T&M
	Add'l Blocks	\$651/block	4.5%	\$680/block
Disc. Review		\$139	-2.6%	\$135
Environmental Evaluation	less than \$10,000	\$1,031	4.3%	\$1,075
	\$10,000	\$1,031	4.3%	\$1,075
	\$200,000	\$1,877	3.8%	\$1,949
	\$1,000,000	\$4,609	4.8%	\$4,829
	\$10,000,000	\$29,997	3.1%	\$30,929
	\$50,000,000	\$53,751	7.4%	\$57,729
	\$100,000,000	\$57,710	6.1%	\$61,229
	None	\$1,031	4.3%	\$1,075
Environmental Impact Report	less than \$200,000	\$17,360	3.7%	\$18,000
	\$200,000	\$17,360	3.7%	\$18,000
	\$1,000,000	\$20,818	4.5%	\$21,780
	\$10,000,000	\$47,213	5.2%	\$49,660
	\$50,000,000	\$76,306	4.9%	\$80,060
	\$100,000,000	\$91,741	4.7%	\$96,060
Env'l Appeal		\$222	1.5%	\$225
Ltr of Exemption		\$81	4.5%	\$85
Cert of Exemption		\$183 + T&M	4.3%	\$170 + T&M

**PLANNING DEPARTMENT**

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October 20, 1995

Memorandum

To: Budget Committee
Board of Supervisors

From: Lucian R. Blazej, Director of Planning *LRB*

RE: October 25, 1995 Budget Meeting
Items 4 and 5--Files 97-95-53 and 115-95-12

The Budget Analyst has provided us this opportunity to respond to their Recommendation.

1. We agree with the Budget Analyst's recommendation that removal of the "Sunset Clause" is a policy matter for the Board of Supervisors, and urge the Budget Committee's favorable action.
2. The proposed 4.7% increase in fees was to provide additional salary funds to the Planning Department, reflecting the increased labor costs negotiated and agreed upon between the City and County of San Francisco and labor organizations last spring. The higher labor costs mean less time available, per project, without the fee increase. Thus, there currently is a degree of impact on the client services. However, without a mechanism to expend an increase the fees should not be charged and we accept the budget analyst's rationale and recommendation to delete this increase and rely on projected future revenue increases.
3. We urge the Budget Committee to approve the 8.5% computerization increase as part of our base fees. For the next three years our computerization costs should be at that level if the Planning Department is to join the Department of Building Inspection in its advance towards electronic plan checking and optical records storage. The City's Electronic Information Steering Committee (EIPSC) has approved this plan. Planning's expenditure is about one quarter that of Building Inspection.

This effort over the next three years results in the 8.5% computerization cost, the same as the current FY95-96 surcharge. We estimate the ongoing annual hardware and software needs and upgrades at about 4.8%. This 4.8% would support upgrades to about one-third of the equipment, per year, network server upgrades, LAN software upgrades and programming.

The Department had anticipated that beyond the three years, the base fees might either be reduced or applied towards any increases in labor costs at that time. The balance of 3.7% would be for the special projects, such as DBI computerization of the permit processing, including computerized permit services and optical disk records storage and retrieval.

The Department has an interest to include these fees in the regular schedule so as not to return on an annual basis for a surcharge. The current surcharge legislation preceded the FY95-96 budget hearings in order to be in place as of July 1. Thus, while

the computerization proposals are heard at the budget hearings, the funding mechanism must precede the hearings.

The most recent computerization funding achieved a computer to each work station, creating a fully implemented LAN. This phase becomes our "stable" platform from which further improvements and efficiencies will occur.

The Department, believes an alternative may be to split this effort into two pieces: Incorporate the ongoing computerization costs (4.8%) into the base fees, and carry forward a computerization surcharge (3.7%) for the three year effort of special projects.

We appreciate the opportunity to provide this response.

Item 6 - File 100-95-11

1. This item is a hearing to consider ways to increase efficiency and reduce costs in the City's general administration and finance departments (Chief Administrative Officer, Convention Facilities Management, Mayor, Children's Fund, Board of Supervisors, City Attorney, Treasurer-Tax Collector, Controller, Purchaser, Assessor, County Clerk/Recorder, Registrar of Voters, City Planning, Permit Appeals, Rent Arbitration Board, Real Estate, Civil Service Commission, Human Resources, Employees Retirement System, Ethics Commission).

2. Following is (1) information provided by the subject City departments regarding actions taken as well as future plans for increasing departmental efficiencies and/or reducing departmental costs and (2) information on prior recommendations of the Budget Analyst with respect to increasing efficiencies and reducing costs in certain City departments.

Chief Administrative Officer

Mr. Lee, Chief Administrative Officer, advises that the Office of the Chief Administrative Officer (CAO) has implemented a number of activities in the past aimed at reducing costs and increasing efficiencies including (1) development of the Waterfront Transportation Project as a means of (a) minimizing the administrative overhead of the various City departments working on projects along the Embarcadero and (b) increasing the coordination of work among those City departments to keep the projects on schedule, (2) routinely monitoring the debt market, through the CAO's Public Finance Program, to determine if refinancing of debt will result in savings to the City, and (3) acquiring grant funds for the City to purchase alternative fuel vehicles and for the installation of a teleconferencing system (Video Teleconferencing Project) linking the Public Defender, Adult Probation and the San Bruno Jail, thereby reducing the number of prisoner and employee trips to and from the San Bruno jail.

Additionally, Mr. Lee advises that some of the CAO's future plans for increasing efficiencies include (1) implementing two organizational changes, as follows: (a) transferring the Public Conservator Program from the Department of Public Health (DPH) to the Public Administrator/Public Guardian and (b) transferring the Vital Statistics Program (birth and death records) from the DPH to the County Clerk/Recorder's Office and (2) expanding the previously noted Video Teleconferencing Project. Mr. Lee also reports that the CAO is planning to commence preliminary work in connection with the expansion of the Moscone Center, which will permit the City to remain competitive with other cities with respect to conventions, and thereby enhance revenues to the City. Mr. Lee advises that he will be present at the subject hearing to answer any questions with regard to these and other activities and plans that the CAO has taken or is planning to undertake to increase efficiencies and reduce costs.

Convention Facilities Management

Attachment I is a memo submitted to the Budget Committee by Mr. Jack Moerschbaecher, Director of Convention Facilities, regarding the Department's efforts to increase efficiency and reduce costs. Mr. Moerschbaecher adds that because he will be traveling on October 25, Chief Administrative Officer Bill Lee will represent the Convention Facilities Management at the Budget Committee hearing on that date.

Mayor - Children's Fund

Ms. Theresa Lee of the Mayor's Office advises that the Mayor's Office will submit a memo directly to the Budget Committee prior to the meeting of October 25, 1995 outlining the Department's prior actions and future plans for increasing departmental efficiencies and/or reducing costs. Ms. Lee advises that a representative of the Mayor's Office will be present at the Budget Committee meeting to respond to any questions.

Board of Supervisors

Attachment II is a memo submitted to the Budget Committee by Mr. Taylor, Clerk of the Board, which outlines various actions which the Board of Supervisors has taken and is planning to take to increase efficiencies and/or reduce departmental costs.

City Attorney

Attachment III is a memo from the City Attorney which describes some of the City Attorney Office's prior actions as well as future plans for increasing departmental efficiencies and/or reducing costs.

Treasurer-Tax Collector

Mr. Sullivan, Tax Collector, reports that over the past six years, the Treasurer-Tax Collector has reduced its staffing level by 20 positions from 175 positions to 155 positions and, at the same time, has increased departmental revenues for five of the past six years. Mr. Sullivan advises that some prior activities that the Department has taken to increase efficiencies include (1) implementing an advanced data processing system (LAN Network), (2) increasing departmental collections in connection with small claims court actions by assigning one staff person to this activity and (3) streamlining and refining departmental processes including eliminating unnecessary steps in processing and duplicative paperwork. Mr. Sullivan also advises that some of the Department's current activities as well as future plans for increasing efficiencies and/or reducing costs include (1) going on-line with a new collections system for the Bureau of Delinquent Revenue, (2) transferring the collection of dog license fees to the Department of Animal Care and Control, (3) cross-training of departmental staff, (4) including the Rent Stabilization Fee on 50,000 secured tax bills for 1995-96, as recommended in the Budget Analyst's Management Audit of the Treasurer/ Tax Collector's Office in

April of 1995, (5) exploring the possibility of using an automated collections program system to pursue delinquent Business Tax accounts, and (6) working with the Assessor, the Controller and the Controller's Information Services Division (ISD) to initiate a plan for implementing a fully integrated tax system.

Controller

Mr. Madden of the Controller's Office advises that the Department will submit a memo to the Budget Committee prior to the Budget Committee meeting on October 25, 1995, which outlines actions the Department has taken or is planning to take to increase departmental efficiencies and/or reduce costs. Mr. Madden states that Mr. Harrington the Controller will be present at the Budget Committee meeting in order to respond to any questions.

Purchaser

Mr. Geistlinger, Director of Purchasing, advises that the Purchasing Department over the past six years has achieved a 45 percent reduction in General Fund staff along with a 50 percent reduction in Management/Administrative staff. Mr. Geistlinger advises that in an effort improve departmental efficiencies, the Department has (1) previously decentralized several functions including storekeeping and equipment inventory and (2) contracted out certain functions, such as the sale of City surplus property to the public. Additionally, Mr. Geistlinger reports that over the past four years, the average processing time for purchase orders through the Purchasing Department's Central Office has been reduced by 50 percent, from 20 days to fewer than 10 days. Mr. Geistlinger reports that some of the Purchasing Department's current and future plans for improving departmental efficiencies and/or reducing departmental and Citywide costs include (1) developing enhanced term contracting and contract consolidation strategy (the consolidation of individual purchases across City departments into single blanket one to three year contracts to achieve savings), (2) development of a Citywide automated purchasing system, (3) development of an alternative fuels program, (4) implementation of a automated fleet management system, and (5) investigation of the use of the Internet as the City's primary means of soliciting bids. Mr. Geistlinger advises that he will be present at the Budget Committee meeting on October 25, 1995, to discuss these and other efficiency and cost cutting measures that have or will be undertaken by the Department.

Assessor

The Assessor's Office advises that a memo will be submitted directly to the Budget Committee prior to its meeting of October 25 outlining the Department's efforts to increase efficiency and reduce costs, and that representatives of the Department will attend the subject meeting to report on these efforts and respond to any questions.

County Clerk/Recorder

Mr. Greg Diaz, County Clerk-Recorder reports that prior actions taken by the County Clerk/Recorder to increase departmental efficiencies include (1) the consolidation of non-judicial functions of the County Clerk with the County Recorder and (2) the implementation of a Cost/Recovery and Fee Study, which resulted in an adjustment of fees, enabling the City to recover additional costs. Additionally, Mr. Diaz advises that two of the Department's plans for increasing departmental efficiencies and/or reducing costs include (1) implementation of an automatic document processing system and (2) increased advertising regarding the Department's marriage license and marriage ceremony services, which should generate additional revenues. Mr. Diaz advises that he will be present at the Budget Committee meeting of October 25, 1995 to respond to questions.

Registrar of Voters

Ms. Germaine Wong, Registrar of Voters, advises that she will be present at the Budget Committee meeting on October 25, 1995 to present a verbal presentation regarding the Department's prior actions as well as current and future plans for increasing departmental efficiencies and/or reducing costs.

City Planning

Attachment IV is a memo submitted to the Budget Committee by Mr. Blazej, Director of Planning, which describes the City Planning Department's prior actions and future plans to increase departmental efficiencies and/or reduce costs. Mr. Blazej advises that he will be present at the Budget Committee meeting on October 25, 1995 to respond to questions.

Permit Appeals

Attachment V is a memo from Mr. Feldman, Executive Director of the Board of Permit Appeals, which outlines actions that the Board of Permit Appeals has taken and is planning to take to increase departmental efficiencies and reduce costs.

Rent Stabilization and Arbitration Board

Attachment VI is a memo from Mr. Grubb, Executive Director of the Rent Stabilization and Arbitration Board, which outlines actions that the Rent Stabilization and Arbitration Board has taken and is planning to take to increase departmental efficiencies and reduce costs.

Real Estate

Attachment VII is a memo submitted to the Budget Committee by Mr. DeLucchi, Director of Property, which describes the prior actions and future plans of the Real Estate Department for increasing departmental efficiencies and/or

reducing costs. Mr. DeLucchi advises that he will be present at the Budget Committee meeting on October 25, 1995 to respond to questions.

Civil Service Commission

Ms. Margerita Zamora of the Civil Service Commission advises that the Commission will submit a memo directly to the Budget Committee prior to its meeting of October 25, 1995 outlining the Department's efforts to increase efficiency and reduce costs, and that representatives of the Commission will attend the subject meeting to report on these efforts and respond to any questions.

Department of Human Resources

Mr. Wendell Pryor, Director of the Department of Human Resources, advises that the Department will submit a memo directly to the Budget Committee prior to its meeting of October 25 outlining the Department's efforts to increase efficiency and reduce costs, and that representatives of the Department will attend the subject meeting to report on these efforts and respond to any questions.

Employees Retirement System

Ms. Clare Murphy, General Manager of the Employees Retirement System (ERS), reports that ERS has kept its operating costs from increasing significantly in recent years in large part through automating and computerizing many functions, and that the Department is continuing this process in FY 1995-96 in accordance with a three-year plan for computerization of all ERS record-keeping and payment functions. Ms. Murphy notes that the retirement contribution rates for Miscellaneous employees decreased from 5.39 percent in FY 1994-95 to 4.98 percent in FY 1995-96, and expects that such rates will remain stable for the foreseeable future.

Ms. Murphy advises that, in general, proposed cuts in the Federal and State budgets will not have a direct impact on ERS, as the Department does not receive any Federal or State support. However, Ms. Murphy reports that overall economic conditions which may result from Federal and State cuts could affect investment opportunities and therefore the management of the Retirement Fund's assets. Ms. Murphy further notes that some proposals for changes to the Internal Revenue Service Tax Code, which are being discussed, such as, for example, a Flat Tax, could have significant impacts on the management of the Retirement Fund assets.

Ms. Murphy advises that it is very difficult to predict any specific effects from proposed Federal cuts or actions, but that the ERS monitors potential tax changes in an attempt to anticipate their impact on San Francisco's Employees Retirement System. Ms. Murphy advises that she will attend the Budget Committee meeting of October 25 to report further on these issues and to respond to any questions.

Memo to Budget Committee
October 25, 1995

Ethics Commission

Attachment VIII is a memo from Ms. Jane Rubin, Executive Director of the Ethics Commission, which outlines actions that the Ethics Commission is planning to take to increase departmental efficiencies.



WILLIAM L. LEE
CHIEF ADMINISTRATIVE OFFICER

October 12, 1995

Through:  William L. Lee, CAO

Honorable Tom Hsieh
Chair, Budget Committee
Board of Supervisors
401 Van Ness Avenue, Room 308
San Francisco CA 94102

Dear Supervisor Hsieh:

Thank you for this opportunity to present information relative to the budget of the Convention Facilities Department. In answer to the specific questions raised in your letter, I would like to submit the following:

How will the Federal Budget impact your budget this year and over the next 7 to 9 years?

I do not foresee any direct impact.

What have been some of the budget saving ideas you have implemented in the past?

The Convention Facilities are operated via a Proposition J contract which the Controller certified would result in an estimated savings for FY 95/96 of up to \$2.7 million.

The Department leased a truck marshalling yard in November 1994 from the Port of San Francisco. This resulted in efficiencies in moving shows in and out of Moscone Center which will allow the City to book more business.

The Department instituted a recycling program at Moscone which provided cost savings.

What, if any, are the budget saving plans you have included as part of this year's budget?

The Department will be conducting a comprehensive solid waste flow analysis this year which will result in significant savings from a reduction of waste hauling fees.

What savings or efficiency plans do you intend to pursue in the future?

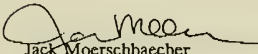
This year the Department will begin the preliminary work necessary to expand the Moscone Center in order to maintain the City as a first class convention destination.

What, if any, are the barriers-administrative, legislative or otherwise-hindering your department's ability to further pursue and implement measures to increase efficiency and reduce costs?

None identified.

The Chief Administrative Officer, Mr. Bill Lee, will be presenting the response of the Department on October 25th. I will be traveling out-of-state on that date. However, if you prefer, I am available at your convenience to appear before your committee at a later date.

Sincerely,


Jack Moerschbaecher
Director, Convention Facilities

cc: Steve Nelson

BOARD of SUPERVISORS



401 Van Ness Avenue, Room 308
San Francisco 94102-4532
554-5184

October 19, 1995

The Honorable Tom Hsieh
Chair, Budget Committee
Board of Supervisors
401 Van Ness Avenue, Room 308
San Francisco, CA 94102-4540

SUBJECT: DEPARTMENTAL BUDGET EFFICIENCY HEARINGS

Dear Supervisor Hsieh and Members of the Budget Committee:

In response to your request concerning budget efficiencies, I submit the following:

- a.) How will the Federal Budget impact your budget this year and over the next 7 to 9 years?

The Department of the Board of Supervisors receives no direct federal funding; thus the federal budget will have no impact on the departmental budget in a direct way. Federal cuts, however, will most likely increase the difficulty of legislation being considered by the Board to meet urban problems.

- b.) What have been some of the budget saving ideas you have implemented in the past?

Past budget reductions have included staff reductions with the elimination of one Assistant Clerk position and revision of the assigned workday for Assistant Clerks on days when Committee meetings are scheduled in order to lower the cost of overtime. In addition, legislation was adopted by the Board of Supervisors to establish fees for certain services such as agenda subscriptions and certification of copies.

Supervisor Tom Hsieh
October 19, 1995
Page Two

- c.) What, if any, are the budget saving plans you have included as part of this year's budget?

Currently, staff are continuing to be cross-trained to provide effective coverage for all services provided by the Clerk of the Board. In addition, a new LAN system is being installed which will allow more efficient operations, permitting increased research for citizens and freeing time for the performance of additional tasks.

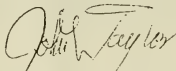
- d.) What savings or efficiency plans do you intend to pursue in the future?

Some plans for achieving future savings include continued participation in various associations which provide networking capabilities with other cities and counties; placing agendas for the Board and its Committees on Internet to improve accessibility and to eliminate many telephone calls; improved methods of establishing a file, creating an agenda for Committee and Board, and for creating journals with a minimum of entries; and, more extensive utilization of improved equipment in the Reproduction Department for copying and mailing agendas and public hearing notices.

- e.) What, if any, are the barriers-administrative, legislative or otherwise- hindering your department's ability to further pursue and implement measures to increase efficiency and reduce costs?

Some barriers exist for logical reasons as a biproduct of community policy decisions. An example is the existence of 11 separate Supervisors offices. That is considerably less expensive than having 18 offices (the previous San Francisco practice) and more expensive than having five such offices. Continuing unfunded mandates by state and federal government, the inability to charge for many services, and the inability to budget up front money which could save funds in the long run are additional barriers not easy to eliminate.

Sincerely,



John L. Taylor
Clerk of the Board

RESPONSE TO BUDGET COMMITTEE'S REQUEST
DEPARTMENTAL BUDGET EFFICIENCY HEARINGS

Wednesday, October 25, 1995
1:00 P.M.

LOUISE H. RENNE
City Attorney

A. HOW WILL THE FEDERAL BUDGET IMPACT YOUR BUDGET THIS YEAR
OVER THE NEXT 7 TO 9 YEARS?

The impact of the cuts in the programs and budgets of the Department of Health, Hetch Hetchy, Social Services, the Municipal Railway and Aging will, in turn, have an impact on the workload and staffing needs of those units of the City Attorney's Office representing those department.

The following is not intended to be an exhaustive listing of all the impacts of our office but rather to serve as an indication of the types of new or increased demands that will be experienced.

1) **25% to 50% Increase in Demand for Legal Counsel and Assistance From City Attorney Units Servicing Impacted Departments**

Any time there is a significant change in state or federal programs, there is an increased demand for legal counsel.

Initially, there will be a dramatic increase in requests from departments for legal counsel and assistance as they try to sort out what is happening. The nature of these requests will include help with statutory interpretation, determining what and how programs are affected, determining what the City's obligations and liabilities are, what the City's response should be and risk management advice on how to best to avoid lawsuits. We may also be asked to find creative ways to compensate for the loss of funding.

In addition, we will be asked to assist in drafting and reviewing new agreements, ordinances and regulations necessitated by new federal and state formulas or requirements.

If federal and state cutbacks result in lay offs for City staff, there will also be many labor issues to deal with.

2) **Increase in Litigation**

To the degree there are court challenges to program cuts, there will be a burden placed on our litigation resources. Suits may also be filed by individuals who are denied eligibility or access to programs.

Similarly, there may be need for us to file lawsuits on the City's behalf to challenge the federal reductions or state actions in response to these reductions.

3) Attorney Time to Attend Meetings With State and Federal Officials and Participate in Hearings

San Francisco will want to ensure its participation in the debates that will take place at the state levels over program reductions and reallocations, and eligibility formulas. This will entail many hours of attorney time to attend meetings and participate in hearings.

B. WHAT HAVE BEEN SOME OF THE BUDGET SAVING IDEAS YOU HAVE IMPLEMENTED IN THE PAST?

In the past, the City Attorney's Office has had to absorb budget cuts and/or increased costs and has done so by selecting from one or a combination of the following options:

1. Instituting a voluntary furlough program wherein staff members who agreed to participate took a certain amount of days off without pay;
2. Gaining agreement of the top forty deputies in the office to voluntary demotions to lower classifications;
3. Leaving the positions of departing staff members or those on leave vacant for a given period;
4. Carrying out layoffs or eliminating budgeted positions, if necessary and if the workload permits such a reduction in force.

We have also taken steps to decrease the City's costs for legal services by:

1. Performing more attorney functions in-house thereby reducing reliance on the most costly services of outside counsel.

The San Francisco City Attorney's Office has one of the lowest usage rates for outside counsel in the country, according to a survey of municipal law offices conducted by the American Law Journal. We have been able to achieve this by hiring more attorneys to shoulder the workload that would

previously be farmed out at far greater expense to the City. Our recruitment efforts have focused on attracting lawyers from downtown law firms with experience in such specialized areas as complex litigation, tax, real estate and business law.

Performing attorney functions in-house costs less than half what it would cost for outside counsel. (Our hourly cost per lawyer ranges from \$72.55 to \$129.28. The cost for outside counsel to perform the same services ranges from \$150 to \$400 per hours, not including expenses.)

2. Automating office information systems and securing the pro bono services of private law firms, law students and paralegal interns;
3. Working with the Purchasing Department to identify areas where costs of litigation services we use, such as subpoena preparation, copying of legal documents, etc., can be made competitive and ultimately be reduced through a bid/contract awards process;

We have also sought to maximize recovery of funds owed the City by:

1. Increasing the legal efforts to recover monies lost from welfare fraud, damage to City property, and injury to City employees; and increasing the City's tax and loan collections through deductions from subrogation and claims payments.

During fiscal year 1994-1995, our Subrogation and Welfare Fraud litigation units recovered \$2,547,827 for the City and County.

C. WHAT IF ANY ARE THE BUDGET SAVING PLANS YOU HAVE INCLUDED AS PART OF THIS YEAR'S BUDGET?

1. Centralizing our Revenue Collections efforts to expand collections or recoveries in the areas of Bail Bond forfeitures, court costs, attorney fees, and small claims.
2. Working with the Purchasing Department and our own Litigation Staff to further reduce the cost of litigation services.

3. Performing an internal evaluation of all aspects of office operations to identify further areas where reductions can be achieved.

D. WHAT SAVINGS OR EFFICIENCY PLANS DO YOU INTEND TO PURSUE IN THE FUTURE?

Continue to improve office efficiencies and effectiveness by:

1. Continuing office automation and improving caseload management through installation of software programs that provide for central calendaring, monitoring of court deadlines, etc.
2. Sharing statistics generated by our automated tracking system with the City's Risk Management Unit to reduce City's potential tort liability exposure and the number of lawsuits and workers' compensation claims

E. WHAT, IF ANY, ARE THE BARRIERS-ADMINISTRATIVE, LEGISLATIVE OR OTHERWISE--HINDERING YOUR DEPARTMENT'S ABILITY TO FURTHER PURSUE AND IMPLEMENTING MEASURES TO INCREASE EFFICIENCY AND REDUCE COSTS?

It is difficult to increase efficiency and reduce costs as long as new service demands place strains on already stretched office staff. For example, within the past year our attorneys not only continue to practice in the usual areas of law (Muni bus cases, police cases), but are also involved in all of the "cutting edge" areas of practice -- for example, disabled access, ethics, telecommunications.

In addition, whenever a new board or commission is created, the City Attorney's Office gains a new client. Each of these commissions require attorney attendance at its meetings, on call legal advice, responses to the myriad of conflict of interest and Brown Act questions, and the interpretation and drafting of legislation. Newly created governmental bodies invariably demand large amounts of attorney time in their start-up phase since each of its staff and members has his or her own concerns which need to be individually addressed.



PLANNING DEPARTMENT

City and County of San Francisco 1660 Mission Street San Francisco, CA 94103-2414

(415) 558-6378

PLANNING COMMISSION
FAX: 558-6409

ADMINISTRATION
FAX: 558-6426

CURRENT PLANNING/ZONING
FAX: 558-6409

LONG RANGE PLANNING
FAX: 558-6426

October 20, 1995

Supervisor Tom Hsieh
Chair, Budget Committee
401 Van Ness Avenue
San Francisco, CA 94102

Dear Supervisor Hsieh:

This letter contains the Planning Department responses to your letter of October 4, 1995, requesting comments as a part of the Departmental Budget Efficiency Hearings. I will attend the October 25, 1995 hearing and testify at that time.

1. How will the Federal Budget impact the Planning Department this year and over the next 7 to 9 years?

Funding from the Community Development Block Grant represents the only ongoing Federal dollars the Planning Department receives. (Current funding=\$41,000.) We are advised by the Office of Community Development that Calendar Year 1996 funding is anticipated to be reduced by approximately 10%. Actual level of Federal funding for the Federal Fiscal Year is not known at this time. It is likely that these funds will be diminished or eliminated in the future.

The Planning Department receives Federal funds that are work ordered from various departments. The Redevelopment Agency is a primary client with most work related to military base conversion planning. The Department is participating in two planning projects-- Hunters Point and Treasure Island.

Hunters Point- This year's funding remains essentially unchanged. (Current Funding=\$240,000 for 14 months.) It is anticipated that the bulk of the Planning Department work effort will be completed in FY 1995-96. At this time we do not believe this project will be affected by any Federal budget cutbacks.

Treasure Island-This year's funding represents a reduction of approximately \$50,000. (Current Funding=\$275,000 for 14 months.) The Treasure Island planning effort should continue for at least one additional fiscal year. Current indications from Washington are that funding for this program may be diminished or portions completely eliminated.

The Planning Department reviews institutional supportive housing and affordable housing projects which are economically feasible only with Federal funding. The Department receives fees for the review of these projects. Reduction or elimination of Federal funds to support such housing construction will mean fewer fees and fewer reviews of this nature. Dollar amount unknown at this time.

2. What are some of the Budget-saving ideas the Department has implemented in the past?

- a. Joined with Department of Building Inspection in creating the Construction Services Center, at which staff can screen applications for completeness while applicant is present, request any additional information required, and approve minor applications
- b. Combined Planning Information Counter and Construction Services Center services, expanding hours of service while reducing staff from three to two
- c. Purchased computerization system through surcharge on permit and application fees, thus conserving General Fund dollars
- d. Computerization efficiencies avoided the need for additional support staff and did increase planner productivity
- e. Instituted Department overhead for associated administrative costs as a part of charge structure for outside funds, thus conserving General Fund dollars
- f. Faster processing of applications so that City benefits from projects getting on-line sooner resulting in increased tax base
- g. Provided expedited general rule exclusion environmental analysis for minor projects
- h. Provided staff with Voicemail to enable direct and detailed messages when staff are unavailable to take calls, reducing telephone operator needs
- i. Reduced staff analysis for discretionary review requests eliminating assignment of a project planner and emphasizing decision-making at the City Planning Commission
- j. Reorganized current planning staff to obtain one project/one planner approach to permit review
- k. Expanded categories of permits which the Department of Building Inspection may review without referral to the Planning Department
- l. Scheduling variance site visits and hearings and enlisting applicant assistance in preparing mailing envelopes for public notice at the time of filing of the application
- m. Computerized payroll system for attendance summaries

3. What savings plans has the Department included as part of this year's budget?

- a. Continued efficiencies and improvement in processing times.
- b. Consultant for transportation modelling--results should save Department and other city departments consultant charges in the future.
- c. Combining Current Planning and Commission Cases work for greater efficiencies in application processing

4. What savings or efficiency plans does the Department intend to pursue in the future?

- a. Pursuing potential consolidation of selected administrative functions with the Department of Building Inspection
- b. Centralizing City planning functions and activities from other departments into the Planning Department
- c. Continued improvement and efficiencies in processing services
- d. Train Planning Information staff for "over the counter" Health Permit review
- e. Making Code Interpretation publicly available to reduce response time to commonly asked zoning questions

5. What, if any, are the barriers-administrative, legislative or otherwise-hindering the Department's ability to further pursue and implement measures to increase efficiency and reduce costs?

The Planning Department has experienced a 64% reduction in ad valorem funding since FY 1991-92. (From \$3.1 million to \$1.1 million.) At present, approximately 16% of the total budget is from ad valorem funding. As the Department has moved from ad valorem to outside funding sources, i.e. fee revenue, work orders and grants, it has been hampered by City government processes in its ability to staff up quickly to perform the application processing and contracted studies and other planning activities. City hiring procedures make it difficult to establish additional positions to do work which is funded by outside agencies and institutions. Some personnel procedures flexibility needs to be provided if we are to accommodate timelines and requirements from outside funding agencies.

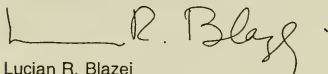
As the City responds to the ongoing budget and fiscal challenges, Departments are being asked to complete various reports on an increasing frequency. Requests seem to be made in a blanket fashion with little or no regard for whether the request is appropriate for all departments. For example, we report biweekly on overtime spent--an apparent significant City problem for some departments--when our budget for the entire fiscal year is only \$500. Consideration should be taken to isolate problems and develop reporting requirements accordingly.

It should be noted that efficiencies developed by one Department may in fact be a shift in responsibility rather than a time efficiency. For example, Purchasing no longer processes the materials received report for payment of purchase orders--this responsibility has been shifted to the Departments. With OnLine FAMIS Departments will be providing data input previously performed by the Controller's Office. (It should be noted in this regard that Online FAMIS will certainly result in better, faster financial information for Departments--but we do not expect any labor savings.) Thus, while these processes may have overall City-wide efficiencies and benefits and direct staff reductions in the originally performing department, it shifts certain time and staff requirements and activities to the performing departments.

The Department continues to review its internal processes and procedures for ways to improve its efficiency and productivity. It should be noted that planning is a public participation process. For example, public requests for the Department and the Planning Commission to use discretionary review rather than basic Code standards for permit review decisions do not necessarily allow for optimum permit review efficiency.

The Department continues to review its internal processes and procedures for ways to improve its efficiency and productivity.

Sincerely,



Lucian R. Blazej
Director of Planning

budoct



October 18, 1995

Attachment v

Page 1 of 2

Honorable Tom Hsieh
Chair, Budget Committee
Board of Supervisors
401 Van Ness Avenue, Room 308
San Francisco, CA 94102-4540

Re: Departmental Budget Efficiency Hearing
Wednesday, October 25, 1995 at 1:00 p.m.

Dear Supervisor Hsieh:

The following are our responses to the five questions posed in your letter dated October 4, 1995.

a) Federal budget impact on Board of Permit Appeals budget over next seven to nine years.

There should be no impacts on this Board's budgets over the next seven to nine years. We are not involved with any federal or state programs.

b) Past budget savings ideas.

We have reduced the number of public hearings from approximately 40 per year to 33 or 34, reducing costs for court reporter, notices and overtime, since our hearings begin at 5:30 p.m.

We replaced a permanent senior clerk typist with an as-needed part-time clerk typist, leaving us with only two permanent clerical employees. Part of the burden of appeals processing has been shifted to appellants who must submit multiple copies of their appeals and must submit names and addresses of adjacent property owners for our use on hearing notices.

c) Budget savings plans in this year's budget.

We omitted our request for a fax machine which had been cut out by the Board of Supervisors in 1994, a savings of \$500 to \$1,000, if special paper, service agreements and new phone lines are included.

Honorable Tom Hsieh
October 18, 1995
Page 2

d) Future savings or efficiency plans.

Postage costs may be reduced by several hundred dollars when we send our out-going mail to Reproduction and Mail Services.

e) Barriers to increased efficiencies and cost reductions.

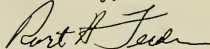
The Board of Permit Appeals has a single program: permit appeals. The process is set forth in the Charter and Codes and is subject to all the usual due process requirements for public meetings and hearings, including the Brown Act and the Sunshine Ordinance.

While the Board has been meeting in the evening at 5 or 5:30 p.m. since 1976, at some point it could shift its meetings to the afternoon, saving on overtime costs to both our staff and to other department representatives who attend. This would inconvenience some members of the public who are able to attend our hearings because they are not held during regular business hours.

In addition, the City Attorney's Office has been strongly urging the Board to schedule more quickly after appeals are filed so that we do not exceed the basic 40-day period during which we retain jurisdiction over permits. This will require the scheduling of more, not fewer hearings in the future, so that our meetings are not too lengthy.

The Board looks forward to seeking new ways of conducting its business to insure efficiency and maximum cost reduction commensurate with the principles of due process.

Yours truly,



Robert H. Felman
Executive Director

RHF:11

cc: Michelle Ruggles, Budget Analyst

City and County of San Francisco

Residential Rent Stabilization
and Arbitration Board

LARRY BEACH BECKER
PRESIDENT

MERRIE T. LIGHTNER
VICE-PRESIDENT

BARRIE BECKER
JONATHAN HAYDEN
DAVID G. GRUBB
MAMIE HOW
POLLY MARSHALL
KATHERINE NASH
CATHERINE STEANE
SHARON K. WASSERMAN

October 16, 1995

FRANK M. JORDAN
MAYOR

JOSEPH GRUBB
EXECUTIVE DIRECTOR

Honorable Tom Hsieh, Supervisor
Board of Supervisors
Room 308
401 Van Ness Avenue
San Francisco, CA 94102

Re: Budget Efficiency Issues

Dear Supervisor Hsieh:

Reference is made to your letter dated October 4, 1995, concerning the Budget Committee's hearing on October 25th. A preview copy of my responses to the questions posed in your letter is presented here for your information.

A. How will the Federal Budget impact your budget this year and over the next 7 to 9 years?

Response:

There will be no Federal Budget impact on the Rent Board's operation at any time. The department, as a special fund operation, depends upon a per unit fee assessed to the occupants of each unit subject to the Rent Ordinance. This fee fully defrays the department's operational costs in full, with no General Fund expenditures being incurred.

B. What have been some of the budget saving ideas you have implemented in the past?

Response:

Budget savings implemented in the department include:

Automation of telephone information services. Initially, the department automated much of the information it provides by recording over 30 different topics on the most frequently asked questions. The system was available on a 24-hour basis, thus increasing the amount of information the department provides more quickly. The system handles over 5,000 calls a month. Because of its popularity and acceptance by the public, the

Post-It® Fax Pad	7671
To: Mr. Hsieh	From: Joe Grubb
CC: Dept.	Phone: 252-4600
Phone: 252-0401	Fax: 252-4600
Date: 10-16	# of pages: 3

Page 2

department recently purchased a new system that doubled the number of topics available to over 60 and made access to those topics easier. Purchase of the system saves \$6,000 a year in rental costs as well.

Automation of phone service. With the assistance of the Department of Telecommunications staff, the department was able to automate the process of call transfers to counselors. This eliminated the need for repetitive, boring work by a clerk and provided the counseling staff with more control over the handling of calls coming to their desks. This in turn ended conflicts between the two staffs and ultimately led to the elimination of a clerical position. The system also provided the department, for the first time, detailed reports on the number of phone calls and time spent on calls by station. Managers are now able to monitor call activity through their phones and assist with call backlogs when they occur, thus improving service.

Increased automation of computer capabilities. By improving the software functions and reassignment of computer duties, staff assumed functions formerly done by clerical staff, such as requiring hearing officers to compose their own decisions rather than having clerical staff do it. As a result of these efficiencies, the department was able to eliminate a clerical position within the last several years.

Voluntary reduced work week. This has been permitted on the condition that the department's work is or can be done in a timely manner. This has motivated staff to work more efficiently in order to insure being able to work a reduced work week. This has also improved staff morale for those using it and has been an important and useful option for families in particular.

- C. What, if any, are the budget saving plans you have included as part of this year's budget?

Response:

Continued use of voluntary reduced work week as a means of meeting salary savings will be utilized this year. Last year, the department experienced a 28% increase in the number of units subject to the Ordinance due to Proposition I. We are attempting to meet the increased demands on the department without an increase in staff through automation, shifting job responsibilities and implementing new methods of serving the public that improve efficiency. The department is implementing a mediation project that is intended to reduce the time spent per hearing as well as providing for a win-win result as opposed to the win-lose result of an arbitration hearing.

If successful, the department would be able to provide resolution to more cases more quickly and be able to reduce the time to hearing and time to

Page 3

issue the decision in those cases where arbitration must occur.

Also, the department plans to make our information available to the public in printed format through a variety of options that would not require staff time to produce those documents. The Internet and fax-on-demand capabilities will be available this year, which will allow an array of printed information to become accessible to the public on a 24-hour basis, including the Ordinance, Rules and Regulations, brochures and other public documents.

D. What savings or efficiency plans do you intend to pursue in the future?

Response:

We will be looking at further enhancements to our computer system that will allow us to provide more information electronically to the public independent of staff assistance. This includes storage of hard copy files in digital format and providing access through a computer accessible at the office counter or through the home computer.

Expansion of telecommuting possibilities currently available in the department. Hearing officers can work at home and transmit their work via modem for review and processing by their supervisor. The feasibility of other positions being able to work in a similar manner will be explored.

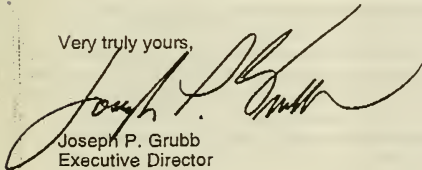
E. What, if any, are the barriers—administrative, legislative or otherwise—hindering your department's ability to further pursue and implement measures to increase efficiency and reduce costs?

Response:

Amendments to the Ordinance may be necessary in order to provide additional types of services such as mediation that are intended to improve office efficiency. This is dependent upon the extent to which the Commission and the public are willing to look at new alternatives as a means of improving services.

Please call me at 252.4648 if you have any questions.

Very truly yours,



Joseph P. Grubb
Executive Director
Rent Stabilization and
Arbitration Board

City and County of San Francisco

Real Estate Department

Office of the
Director of Property

October 20, 1995

Budget Efficiency Hearings

Through Mr. William L. Lee
Chief Administrative Officer

Supervisor Tom Hsieh
Chair, Budget Committee
401 Van Ness Avenue, #320
San Francisco, California 94102

Dear Supervisor Hsieh:

This is response to your request for information pertaining to budget efficiency matters to be considered at the Budget Committee meeting on October 25, 1995. Our responses follow:

- a.) How will the Federal Budget impact your budget this year and over the next 7 to 9 years?

Response: The Real Estate Department is dependent on work order funds from other City agencies to provide services to client departments. One portion of our work load involves securing lease sites for Health clinics as well as meeting the lease needs for the Department of Social Services. We do not anticipate a reduction in service requests for the current fiscal year; however, as future federal cuts are experienced by Department of Public Health and Department of Social Services, there will likely be a substantial reduction in these areas.

Other projects such as Muni railway extensions and City Clean Water projects are reliant to some degree on federal monies. We also anticipate that there will be some lessening of service demand for these types of projects in the future.

- b.) What have been some of the budget savings ideas you have implemented in the past?

Response: The Real Estate Department was able to install a Local Area Network (LAN) system approximately two years ago. As the department's computerization efforts have increased, we have been able to consolidate positions through attrition; and over the last year, have been able to function with one accountant whereas historically two were budgeted. The availability of computers for our Real Property Officers allows us to function adequately with three secretaries. Formerly, five secretarial positions were contained in the Real Estate Department budget.

We have been successful in lessening, to some degree, City reliance on leased office space by acquiring 25 Van Ness and 1660 Mission Street. The departments occupying space in these two buildings continue to pay rent to cover debt service, operations and maintenance. However, the City is building equity with each payment.

- c.) What, if any, are the budget saving plans you have included as part of this year's budget?

Response: The City as a whole is in the early stage of implementing a City-wide Geographical Information System (GIS) computer program. The Real Estate Department is an active participant in this program; and when fully operational, we will have the ability to provide information not currently available, while reducing the time required to obtain such information. Although it is difficult to quantify potential savings from computerization, the Real Estate Department has been able to reduce budget staff positions to 21; whereas, 35 positions were budgeted just a decade ago. We were able to achieve this reduction in work force without having to lay off personnel, but rather through attrition or by staff relocating to other City departments.

- d.) What savings or efficiency plans do you intend to pursue in the future?

Response: Most City cost-savings are realized by cuts in personnel costs. With only 21 budgeted positions, we have little opportunity here.

Real Estate manages two buildings - 25 Van Ness and 1660 Mission. As we implement timely repairs and cost efficient changes, operating costs are decreasing each year. As an example, operating costs at 25 Van Ness during 1994-95 were actually 7% lower than 1992-93 despite increased prices.

- e.) What, if any, are the barriers-administrative, legislative or otherwise- hindering your department's ability to further pursue and implement measures to increase efficiency and reduce costs?

Response: At present, the Real Estate Department must submit legislation for all leases with rental payments of \$1,000 per month or more. It may be appropriate to consider raising this amount to \$2,500 per month, thereby reducing the amount of legislation we submit for consideration by the Board of Supervisors.

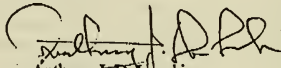
Budget planning and forecasting presented a unique challenge during the current fiscal year as the City changed from salary standardization to collective bargaining, resulting in some unpleasant surprises. For example, retroactive payment into a deferred compensation plan for members of Local 21 has been charged against departmental annual appropriations. It was impossible for departments to plan for this expense.

Collective bargaining has created a new layer of department overhead; especially for smaller departments. For example, our '95-'96 projections included eight different rate

changes for employees in various unions. Some of the union achieved benefits do not apply to every employee; for example, dependent health care pickups are technically available to 17 of our employees - but only 3 actually receive a benefit.

Thank you for the opportunity to bring these budget concerns to your attention. I will be available at your October 25 meeting to respond to any additional questions that you may have regarding the Real Estate Department.

Sincerely,



Anthony J. DeFecchi
Director of Property

cc: Harvey Rose, Budget Analyst
Attention: Sandra Brown-Richardson
Steve Nelson, Executive Assistant to CAO

AJD:kb
H:VishBud

Ethics Commission



401 Van Ness Ave. Room 303
San Francisco CA 94102
Phone 554-6464 Fax 554-6400

October 18, 1995

Hon. Tom Hsieh
Chair, Budget Committee
San Francisco Board of Supervisors
401 Van Ness Avenue, Room 308
San Francisco, CA 94102

Dear Supervisor Hsieh:

Thank you for the opportunity to respond to your thoughtful questions regarding efficiency plans, and to make a presentation to the Budget Committee. As I am sure you are aware, the Ethics Commission is a relatively new entity, and therefore some of the questions you ask are not directly applicable. Nevertheless, we will attempt to respond to all of the inquiries.

a) How will the Federal Budget impact your budget this year and over the next 7 to 9 years?

The Ethics Commission will not be directly impacted by immediate or long range changes in the Federal Budget, as it receives no Federal funding. Obviously, to the extent that the Federal Budget impacts on the City of San Francisco's overall budget, there could ultimately be some effect on the Ethics Commission's General Fund appropriation in future years.

b) What have been some of the budget saving ideas you have implemented in the past?

The Ethics Commission has no "past," as it is only in its second year of fiscal existence, and it is still in the process of establishing itself.

c) What, if any, are the budget saving plans you have included as part of this year's budget?

This was a "developmental" year for the Ethics Commission, and there were no savings plans incorporated into the budget. However, some savings may be achieved by two positions having been filled after the start of the Fiscal Year (August and September) and by the delay in moving into leased premises, which is anticipated for December, 1995.

d) *What savings or efficiency plans do you intend to pursue in the future?*

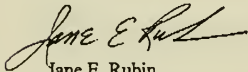
Future efficiencies will most likely involve the continued development and implementation of automation for all required document filings such as candidate and committee disclosure statements, lobbyist registrations, and statements of economic interest. The creation and maintenance of computerized systems will provide for both more efficient filing and greater accessibility of information for the public.

e) *What, if any, are the barriers...hindering your department's ability ...to increase efficiency...?*

None identified at this time.

I appreciate your understanding of the Ethics Commission's current stage of development as it relates to our ability to address these important issues at this time.

Sincerely,



Jane E. Rubin
Executive Director

cc: Supervisor Sue Bierman
Supervisor Barbara Kaufman

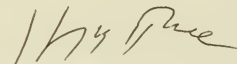
Memo to Budget Committee
October 25, 1995

Item 7 - File 100-95-12

Note: This item was continued by the Budget Committee at its meeting of October 18, 1995.

This item is a hearing concerning the long-term budget impacts that Federal budgetary reductions will have on the budget of the City and County of San Francisco over the next seven to nine years.

The Controller and the Budget Analyst will orally advise the Committee on any updated information obtained regarding the impacts which pending Federal budgetary reductions will have on San Francisco.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

